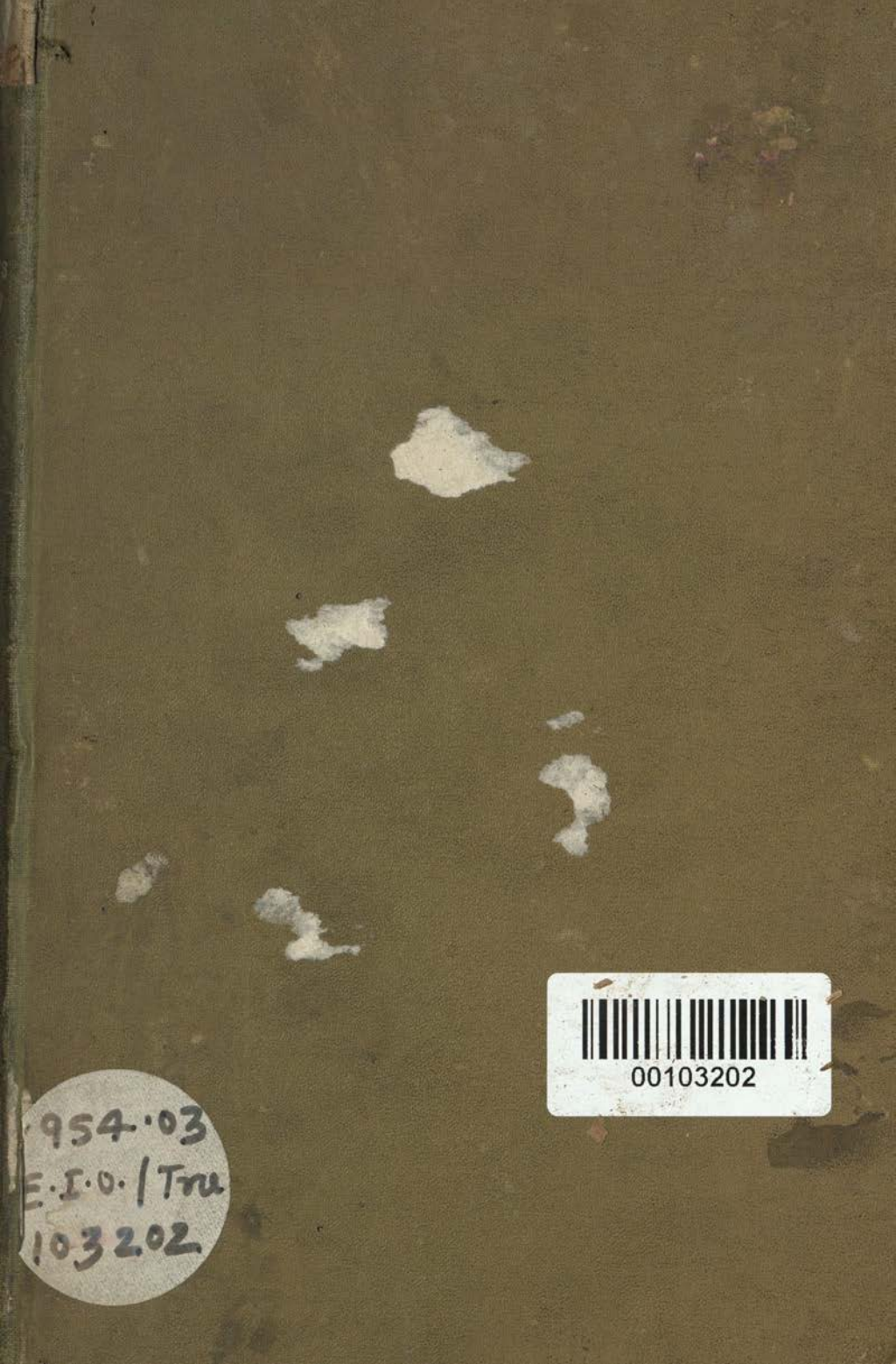
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TRUTHS ABOUT INDIA

BEING A REPRINT OF LEAFLETS ISSUED BY THE EAST INDIA ASSOCIATION FROM 1909 TO 1913

WITH A FOREWORD BY

THE RIGHT HON. LORD AMPTHILL, G.C.S.I., G.C.I.E

AND A PREFACE BY

J. B. PENNINGTON AND J. POLLEN

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FOREWORD

THE East India Association has taken a very sensible, and indeed necessary, step in republishing this collection of leaflets in Pamphlet form. If India is really to be governed by the British Parliament, it is of course essential that the Members of that Parliament should be correctly informed about Indian affairs; and if the House of Commons is really a democratic institution, it is equally essential that those who elect the members of that House should have some knowledge of the questions affecting three hundred millions of their fellow-subjects for whose welfare and contentment under British rule they are responsible. Both electors and their chosen representatives ought to realize more fully than they do at present that no nobler responsibility or more inspiring duty has ever fallen to the lot of any people than the protection and government of India.

But there are few who can afford the money to buy books about India or the time to read them, so that the cheap Pamphlet is the only and obvious means of disseminating the necessary information. This has been generally recognized of late in the matter of domestic politics, where the rapidly increasing number and complexity of questions has become a serious difficulty in the way of true democratic government. The ordinary voter is no longer satisfied with a leaflet which only gives him party catchwords or makes unqualified assertions in regard to points of detail. He demands more solid and serious matter, and wants something

to read and think about. The present Pamphlet, which is reasonably concise, portable in form, and convenient to preserve, meets this need, while leaflets (which are often issued in *millions*) are frequently used only to light the fire.

I am inclined to think that the articles in this collection err on the side of "sweet reasonableness" if the prevalent taste for strong, and even exaggerated, language in public controversy is taken into account. They are all of the nature of the "soft answer which turneth away wrath." Now, if it were a case of meeting honest but mistaken wrath, this would be the best and most judicious method; but it is, unfortunately, sometimes a case of meeting falsehoods and slanders of a deliberately vile and malicious character, and these deserve the strongest and most severe condemnation.

Britons who deliberately slander their fellow-countrymen in India are no better than cowards, for they select as the objects of their unscrupulous attacks those who have no opportunity of defending themselves. All public men in this country are from time to time exposed to bitter calumny; that is one of the evil fruits of our so-called "progress." They are, however, always surrounded by partisans, as numerous as their opponents, who defend them with vigour, so that in the end both sides can "cry quits." But British public servants in India have no such advantage, and every attack which is made upon them, however gross and unfair it may be, undermines their prestige and increases the difficulty of their difficult task.

Malice and hatred generally proceed from envy, and it is hard to understand why the Englishman in India should be an object of envy to any of his fellow-countrymen at home. Life in India has many hard trials even for those who have good appointments and who are most attached to the country and the people. Exile from home and separation from wife and children are among the things which it is hardest for human nature to bear, and these trials are the ordinary lot

of those who spend the best part of their lives in doing British work in India. How bravely these trials are borne, and how strong is the sense of public duty which makes them tolerable, can only be realized by those who have lived among the British men and women in India. But a little knowledge and a little thought should make the circumstances comprehensible to all people at home, and incline them to regard with gratitude rather than with envy those who are doing work for which the British nation is responsible, and upholding British traditions of justice, humanity and civilization.

It is incomprehensible to anyone who has a spark of national feeling why we alone of all nations should have in our midst a vociferous section whose only object in life seems to be to disparage and vilify the best achievements of our race. The only potent and efficient remedy is to provide our democracy with that knowledge which it ought to possess in order to pass a sound judgment on the affairs for which it is responsible; and if the East India Association can make a commencement of supplying this public need, they will be entitled to national gratitude.

AMPTHILL.

MILTON ERNEST HALL,
BEDFORD,
June 28, 1913.

PREFACE

"THERE is no religion higher than Truth." But the question still stands, "What is Truth?" and perhaps the best reply is that Truth is "the justly-proportioned expression of the fact":—nothing, therefore, seems more desirable in fair controversy than the justly-proportioned setting forth of facts and the careful avoidance of all exaggeration or extenuation. It is from want of attention to these essentials that newspaper controversy, whether political or economic, is often so barren of good results.

"Absolute" truth is, of course, unattainable in this world of ours, and the most we can do is to move "through illusions towards truth," as Dr. Abbott says. So the leaflets here collected are at best merely movements and attempts to get as near to the truth about matters Indian as our partial knowledge will admit. The chief aim and end we have in view may be expressed, in the words of Mr. Hume, as "the consolidation of union between England and India," and this we consider can best be secured by fearless truth-telling on both sides, and by reciprocal goodwill and mutual trust.

If exaggerated language (sometimes, perhaps unfairly, called "Orientalizing") could be eliminated from controversy, there would, we are persuaded, be far less unwholesome unrest in India. But perhaps complete elimination of heated language is hardly possible, and all progress, of course, implies "unrest"; but such "unrest"

need not necessarily be the sign of anything "unwholesome," or, indeed, of anything more serious than the growing-pains of youth. In this connection it may be noted that the British Government in India itself is still in its early youth. So when Great Britain is reproached for doing so little during the "150 years" (during which it is sometimes alleged she has been the Ruler of India), it is only fair to recall the fact that barely 150 years have elapsed since the handful of English in Patna and its neighbourhood fell victims to Mir Kasim, and were almost exterminated (in 1764); and that it was not till some time after that event that even so much as Lower Bengal came under a very imperfect and indifferent sort of British control. It was certainly not until 100 years after the Patna massacre that Patna itself became a British self-governing Municipality, and that the British Government in India may be said to have matured, and to have begun the work of popular administration in real earnest. Before 1756 the British Raj was practically non-existent, and the condition of England at that time is thus described:

"Never did the fortunes of England stand lower than at the end of 1756. In North America, Braddock had been defeated and his army annihilated. Oswego, with which went the control of Lake Ontario, had been taken; from India came news of the Black Hole of Calcutta; on the Continent our only ally, Frederick of Prussia, had been defeated; on sea Admiral Byng had been defeated by an equal force of French, and had slunk home without daring to renew the action."

Indeed, such was the state of affairs in those days that the cynical Lord Chesterfield uttered the despairful cry: "We are no longer a nation." It is, therefore, clearly idle to maintain that 150 years ago the English were the rulers of

India, or that they have had 150 years of Empire in the East. They are really only at the beginning of their work of Imperial consolidation, and it is in the hope that this great work may be helped, even a little, for the abiding benefit of the people of India and the Empire in general, that this reprint has been issued.

J. B. PENNINGTON.
JOHN POLLEN.

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TRUTHS ABOUT INDIA

I

THE TRUTH ABOUT "THE DRAIN"

WHAT are the facts about the drain of India's wealth into Great Britain? It has been assumed that there is a drain, but the nature and extent of this drain has been highly exaggerated, and sometimes grossly misrepresented. The official "drain" is included in what are known as the "home charges," and these "home charges" for the three years from 1904 to 1907 amount on the average to £19,000,000 a year, reduced to about £18,000,000 by deducting sundry receipts. These £19,000,000 can be roughly summarized and grouped under the following heads:

	£
(1) Interest on money due or borrowed (chiefly for railways, etc.) about ...	10,000,000
(2) Purchase of stores	2,500,000
(3) Military charges (including pensions)	4,000,000
(4) Civil charges (including pensions) ...	2,500,000

As will be seen (4) civil and (3) military charges, including pensions, amount to £6,500,000. This is no doubt a heavy charge, but it might well be regarded as a not unreasonable premium payable for insurance against foreign aggression and internal disturbance. The peace and security enjoyed in India may be taken as an adequate return for this outlay.

It is not intended to justify every charge in the debt account, but (1) payment of interest on sums borrowed for

the construction of railways, etc., or (2) disbursements on account of the purchase of stores, cannot fairly be described as a "drain," because in return for this money India has received adequate commercial equivalent in the shape of metals, machinery, railway plant, and miscellaneous stores. Such receipts have always been justly regarded as amongst the most valuable and permanent of commercial returns.

It has, however, been urged that, in addition to these *known* payments, there is an unknown drain on India's resources in the shape of private remittances, and the extent of this drain has been estimated at between £10,000,000 and £12,000,000 a year. This is, of course, a mere guess, and the probabilities are against the accuracy of this guess. The sum mentioned is more than double the annual pay of all the European officials in India, civil and military, and it seems idle to contend that the comparatively few European merchants in India earn more than all the civil and military European officials put together. It is well known that European officials in India cannot remit a moiety of their pay to England. Many of them spend all their pay (and even more) in India. It must surely be the same with some European merchants.

Nevertheless, it has become the fashion, when comparing British rule in India with that of our predecessors, to declare that, although the expenditure of the Native Governments was not so productive in the economic sense as that of the British Government, yet the money was spent in the country, and that, though often wantonly wasted by the chiefs and courtiers, the money filtered back into the possession of the people, and that the common people were consequently better off. This is certainly not borne out by the evidence of non-British travellers who have described the former state of India. They found the common people not only not prosperous, but suffering on all sides from grinding poverty, and living cheerless, comfortless lives. Whatever be the truth about the drain, the British Government can claim to have spent more money on, and done

more to secure, the material and industrial development of India than all its predecessors put together. British control has not only led to an increase in the rate of wages of the labouring classes, but has also increased the efficiency of that labour, and has raised the standard of living and comfort throughout the length and breadth of the land.

With regard to the drain on India, the late Mr. Samuel Smith, M.P.—not a sun-dried bureaucrat, but an independent and thoughtful critic of the Indian Government, and an earnest well-wisher of the people of India—writes thus:

"I find amongst the Congress party, consisting of the most highly educated natives, a curious aversion to foreign capital; they think it drains away the profits of the country. They point to the great excess of exports over imports, some £20,000,000 annually, and charge upon this the impoverishment of the country. They ignore the fact that the same phenomenon appears in the British Colonies and in the United States, and yet that these are the most prosperous countries in the world. It is no doubt true that a Government by foreigners does impose what may be called a certain tribute on the country" (in the shape of pensions, etc.). "No doubt," he goes on, "it would be better for India could capital be raised in the country, and the administration be conducted by the natives of the country; *but that is not possible at present*, and it is surely better that the railways should be made by foreign capital than not made at all. The benefits that India has gained, and will gain in the future, from the development of her industries, and from cheap means of communication, will much more than repay her for the interest she has to remit to England. But at present these truths are very dimly realized."

At p. 186 of his "Essays on Indian Economics," the late Hon. Mr. Justice Ranade writes: "There are some people who think that, as long as we have a heavy

tribute to pay to England which takes away nearly twenty crores of our surplus exports, we are doomed and can do nothing to help ourselves! This is, however, hardly a fair or manly position to take up. A portion of the burden represents interest on moneys advanced to, or invested in, our country, and so far from complaining we have reason to be thankful that we have a creditor who supplies our needs at such a low rate of interest. Another portion represents the value of stores supplied to us, the like of which we cannot produce here. The remainder is alleged to be more or less necessary for the purposes of administration, defence and payment of pensions; and, though there is good cause for complaint that it is not all necessary, we should not forget the fact that we are enabled by reason of this British connection to levy an equivalent tribute from China by our opium monopoly. I would not, therefore, desire you to divert and waste your energies in the fruitless discussion of this question of tribute, which had better be left to our politicians."

April, 1909.

II

THE TRUTH ABOUT THE GOVERNMENT OF INDIA,

ACCORDING TO THE REV. HOWARD CAMPBELL, MISSIONARY AND SOCIALIST, AFTER TWENTY YEARS OF LIFE AMONG THE PEOPLE OF INDIA

CERTAIN critics of the Indian Government are fond of quoting the Rev. J. T. Sunderland, who is, we believe, an American missionary, as an authority on Indian questions. Whatever his qualifications as an observer of India may be, his conclusions do not agree with those of other American missionaries, whose evidence convinced Mr. Roosevelt that English rule was undoubtedly a blessing to India on the whole, and Mr. Sunderland's views may fairly be contrasted with those of Mr. Howard Campbell in Madras. This is Mr. Campbell's account, as given in the *Labour Leader* some years ago:

IS INDIA MISGOVERNED?

SOME INDIAN FACTS FOR BRITISH SOCIALISTS.

As I have spent rather more than twenty years in India, living in an up-country district, and mixing freely with all classes of people, I should like to say a few words on the methods and results of British rule. I have been amazed to find writers with whom I am otherwise in thorough sympathy denouncing British rule as cruelly oppressive, and declaring that the people of India have been reduced to dire poverty by over-taxation.

I am a Socialist, and have, at the risk of incurring some little odium, done what I could to advocate Socialism in the Press and on the platform in India, while, when on furlough, I have refused to vote for any candidate who would not subscribe to the I.L.P. programme.

I went to India expecting to find a great deal of mis-government, and most unwilling to admit that any good could result from a bureaucratic system. Experience has forced me to the conclusion that there is *no country in the world better governed than India, none in which the administration does more for the masses of the people.** This is strong language, but I am convinced that any Socialist who made himself acquainted with the facts would endorse it, with a fervent wish that things were as well managed in England as in India.

In India, except in Bengal, the land is national property, the cultivators holding directly from the State, and occupying their farms in perpetuity, on payment of a rent of from 6d. to 4s. per acre. There is communal grazing-land attached to each village, and the land on which the village is built is also the property of the people. There are consequently, no ground rents, and every man, however poor, owns his house. All waste land is in the hands of Government. That which is arable is available for cultivation, and a portion may be taken and occupied by anyone who applies for it, without any charge other than the annual land-tax. Hills and jungle and river tracts are under the control of the Forest Department, and are managed in such a way as to bring in a profit to the nation. Mining royalties go not to a class of greedy landlords, but to the State. The railways, where they are not State-owned, are State-guaranteed and State-controlled. They bring in a yearly revenue of about £9,000,000. Government has, indeed, gone in so largely for productive works of various kinds that it is able to pay the whole of the interest on its borrowed capital from the profits accruing from these.

* The italics are ours.

It is impossible to enumerate all the various schemes that have been carried out by Government for the development of the resources of the country and the improvement of the condition of the people. Most notable among these are the opening up of the great railway system, and the establishment of vast irrigation works in parts of the country which suffered from a precarious rainfall. In North India the Ganges system has placed the greater part of the province beyond the reach of famine; in South India the Godavari and Kistna Delta Works have transformed the poorest and most miserable into the richest and most prosperous districts in the Madras Presidency. At the present time, as a result of personal inquiries made by Lord Curzon, a huge irrigation scheme is being inaugurated on the borders of the Deccan, which will distribute water over an area as large as Ireland, and thus save some millions of people from the fear of famine.

If our Home Government would only take a leaf out of the book of the Government of India, it would be a great deal better for our unemployed. The Government of India recognizes to the full its obligation to provide work for those who are unable, through any exceptional causes, to earn a livelihood.

India has always been subject to oft-recurring famine, owing to the precarious nature of the rainfall; but whereas in former times famine was regarded as beyond the control of man, it is now considered a problem to be faced and dealt with by those responsible for the government of the country. In every district of India there is a list of useful works in the Government offices and a supply of tools in the Government stores, and as soon as there are evident signs of distress, relief works are opened on which all who are able to earn a livelihood can find employment. Every effort is made to prevent the people from feeling that there is any disgrace in resorting to these works. As a result of this policy, the hardship and suffering which arise from famine in the present day are, however great, but slight

compared to the terrible calamities resulting from the famines of former times.

No statement could be more inaccurate than that India has been impoverished by British rule. The very reverse is the case. The total disappearance of the shell currency, the increasing demand for the luxuries of life, the yearly absorption of about 10,000,000 pounds' worth of imported bullion, a great part of which is used for the manufacture of jewellery, proves that the people are really much wealthier than formerly.

The masses are poor, very poor, but their poverty is in no way due to maladministration or misgovernment. Reckless expenditure on marriage festivities and litigation are the chief causes of the indebtedness of the ryots. A man will spend three or four years' income on his son's marriage, borrowing the money without hesitation from a usurer, who charges from 12 to 75 per cent. interest per annum. *No one is crushed by over-taxation.* It is true that the revenue of India is much larger than the revenue of Great Britain in proportion to the wealth of the country, but it is a great mistake to regard the whole revenue of India as a tax upon the people. A large part of it is profit earned by public works, and of the remainder, two-thirds come from the land-tax, which includes rent. Members of the working classes, if they refrain from the use of alcohol and opium and keep out of the law-courts, have nothing to pay in the shape of taxation except some fourpence a head which the salt monopoly costs them. Those who complain of the land-tax close their eyes to the fact that it is really of the nature of rent paid to the community for the privilege of occupying, to the exclusion of others, what is really the property of the whole nation.

Socialists who look into the controversy on the land system which has taken place between the Government of India on the one hand and some Indian political reformers on the other, will be amazed to find the so-called reformers advocating the landlord system as found in Bengal, while

the Government, with Lord Curzon at its head, stands up for national ownership and control. This is a very fair example of the attitude of the Indian political reformers. They look at things from the standpoint of the classes, and leave the interests of the masses of the people almost entirely out of account.

There is a far greater gulf between the classes and the masses in India than in England, for in India the class feeling is immensely intensified by the caste system, which teaches that the members of the different sections of society have no more in common than horses and cattle, or sheep and goats. The mere touch of a low-caste man is supposed to bring pollution. Pariahs, who form the greater part of the proletariat, and number about 4,000,000, are not allowed to live in any respectable street or to draw water out of the village tanks or wells. In some parts of the country they are still denied a free use of the public roads, and until recently they were not allowed to whitewash their houses or to ride on a horse or in a palanquin. In the extreme South of India their women were prevented from wearing any clothing above the waist, and in almost every part of India any attempt on the part of either man or woman to dress more decently is bitterly resented by the high-caste people. The British Government has in the main taken the side of these poor down-trodden people.

Our English officials, standing as they have done entirely apart from the social system of the country, have been able, as they would not have been at home, to look at things from an impartial standpoint, and consequently have done much to remedy the cruel social injustices from which the poor classes suffered. *The great mass of the people far prefer to be under British officials,* and do not hesitate to protest vigorously against any attempt to set them aside in favour of their fellow-countrymen. Even under British rule I have known Indian apothecaries refuse to allow low-caste patients to enter the consulting-room of their dis-

pensary, and Indian magistrates and judges compel low-caste complainants and witnesses to stand outside the walls of their court-houses and shout their evidence as best they can from a distance.

I believe in the extension of self-government in India, but so far as the welfare of the masses of the people is concerned, the measure of local government which has already been given has been anything but a success. Numberless cases could be given of the way in which local boards neglect and even oppress the lower classes. In one district I have myself seen notices issued by a country board forbidding the use of its public rest-houses to any but high-class Hindus; in another I have known a lad to be expelled from a public school on the written order of a county board chairman, simply because he was a pariah. In both cases, I am glad to say, the injustice was remedied by the action of the European magistrate in charge of the district.

When the masses of the people are educated up to the point where they shall be conscious of their wrongs and able to insist on their rights, India will be ready for self-government; but any attempt to force popular government upon the people at present would involve injustice as great as the handing over the people of Ireland to a Parliament composed exclusively of landlords and their friends. If those who are ready to listen to the statements of the political reformers, who for the most part belong to the proudest and most exclusive classes of society, were to study the speeches and writings of some of the social reformers, a little body of brave men who have been excommunicated and persecuted as a reward for their unselfish efforts on behalf of the poor and the weak, they would get a very different idea indeed of the present situation in India.

* * * * *

Lord Morley, who has brought some time and a highly-trained intellect to bear on the problem of Indian adminis-

tration, has practically come to the same conclusion as Mr. Howard Campbell. He cannot look forward to the time when a Parliament in India could be started with any prospect of success; and Sir T. Mahdava Rau, whose experience and ability are almost unrivalled, and who was by no means an ardent admirer of British supremacy, summed up the question at the end of his career in the following words: "The longer one lives, observes and thinks, the more does one feel that there is no community on the face of the earth which suffers less from political evils and more from self-inflicted, or self-accepted, or self-created and therefore avoidable, evils than the Hindu."

April, 1909.

III

"THE SILVER LINING" AND "INDIA'S CLOUD"

In the December number of the *Socialist Review* there is an article entitled, "The Silver Lining to India's Cloud," by Dr. Rutherford, M.P. The cloud is the maladministration which has, in the opinion of that gentleman, run riot for years. Further, "*the promises and pledges of Queen Victoria made fifty years ago remain unfulfilled*"; "*every elementary right of the Indian people to a voice in the government of their own country has been denied*"; "*plague, famine, and poverty have desolated the land, and, in spite of all, the cloud has remained passive save for occasional perturbations in the shape of riots and a strong streak or two of bomb lightning.*"

The prominent note in criticisms of our Indian administration is incapacity to appreciate the most elementary facts concerning our great Dependency. If Dr. Rutherford had the knowledge which is surely an indispensable preliminary to wholesale condemnation, it is difficult to believe that he could have intended to attach literal accuracy to language pitched in such a high key; the tune may have been set for those who unfortunately take an extraordinarily perverted view of things in the East, and prefer to have their literary food served up hot and highly seasoned. It would be easy to prove by argument, founded upon reliable data, that Dr. Rutherford's accusations are so remote from the reality as to be absolutely grotesque, and even ludicrous; but a reply to charges so wholesale and reckless, which, without parti-

cularizing, cover practically the whole field of our operations in India, obviously could not be compressed within reasonable limits. All that can be attempted is to advise those who are interested in these great questions to ascertain the facts for themselves, and then to form their own conclusions. Eastern problems are undeniably difficult, but the details are not so elusive as to be beyond anyone of ordinary intelligence, and can easily be mastered by a visit to the India Office Library. Those who have neither the time nor the inclination to conduct researches of this sort may at least be expected to weigh the utterances and consider dispassionately the proceedings of those who have borne, or are bearing, the burden and heat of the day in India, who must of necessity have a considerable knowledge of affairs there, and who are certainly no less honourable and intelligent than the exponents of their alleged misdoings.

If it be suggested that Dr. Rutherford levels no accusation against individuals, the reply naturally arises that it is impossible to separate the proceedings, in their personal aspect, of Government servants in India from the gross mismanagement, and indeed infamy, which, with a complete disregard of the facts, he ascribes to the administrative agency of that country.

Dr. Rutherford wrote before the announcement of the reforms now contemplated, which he contemptuously refers to in advance as "*the proposals of a hidebound officialism, jealous of its authority and its selfish interests*"; but he must hereby dissociate himself from the great outburst of approbation with which they have been met by Indians of all classes; for the proposals do not, fortunately, embrace the thorough-going plan of popular representation, leading up to complete self-government, which, in his article, are so confidently advocated. He writes: "*Let those who say the Indians are not fit to govern themselves go and tell that lie to Japan, Persia, Bulgaria, the Transvaal and Turkey, not to mention Baroda and other Indian States, and ruminate on the reply.*"

Presumably he means here that the kingdoms named or indicated have either worked out their political regeneration or are in course of doing so. But where is the analogy between these countries and Hindustan? Is the homogeneous national sentiment which animates Japan to be found in India? Is any comparison possible between Bulgaria and India? or, for that matter, between the latter country and Persia or Turkey? What about the Transvaal Boers—their treatment of Asiatics and their Kafir population, with reference to what Dr. Rutherford calls "*the sinister bar of colour*" in India? Finally, is there self-government in Baroda or any of the 600 and odd Native States in India? Ask these chiefs how far they admit their subjects to constitutional privileges, "*and ruminate on the reply.*"

According to Dr. Rutherford, the person who asserts that Indians are not now fit to govern themselves is a liar. It would be interesting to know, when judged by this test, how many truthful men, besides Dr. Rutherford, are in existence. A goodly number of those who have devoted the best years of their life to India, or are still serving there in the closest touch with the people, honestly believe that the bulk of the population are as yet unaffected by recent events, and have no sympathy with an agitation which they do not understand; that the very small proportion of literates amongst the inarticulate millions renders it impossible that they can for many years to come be qualified to exercise the franchise; that the enormous size of India and its conflicting interests render it a dangerous heresy to regard that country as one nation, or to speak of the "people of India" as if they were unanimous in sentiment, or possessed of anything in common except that they occupy one geographical unit. All this is, of course, the ABC of the Indian problem. A simple sum in arithmetic would show Dr. Rutherford how many Muhammadans and how many of the lower castes there are, for whom the Brahmins and lawyers, who comprise the bulk of the agitators, can have no claim to speak.

Dr. Rutherford is very severe upon the Partition of Bengal, to which he refers as "*conceived in sin and matured in strife—this piece of Curzonian iniquity*," "*this accursed transaction*," "*Lord Curzon's crime.*" Some men of considerable experience now, or previously, in the Indian administrative ranks are wanton enough even to approve this measure, as do the majority of the inhabitants of the new province, whilst the *Times* correspondent now in India, who seems to be a fairly capable observer, has a good deal to say about the Partition, summarizing his remarks as follows: "*The Partition stands in no need of renewed justification, for it has been entirely justified by results.*" It was impossible to carry out such a large scheme without giving rise to some discontent, and at the time there was, unhappily, a good deal of loose gunpowder about, which readily ignited. It may, indeed, be that the time—nearly two years—during which the project was under public examination, and the fact that the Viceroy made tremendous personal efforts to explain and popularize the measure, tended to embitter the controversy. Everyone is entitled to his opinion as to the expediency or otherwise of dividing up overgrown Bengal, but in this connection to attribute sinfulness and criminality to Lord Curzon seems to suggest that, having nothing particular to urge in the way of argument, Dr. Rutherford resorts to unstinted vituperation, on the principle of "a weak case, abuse your adversary."

It is a pleasure to turn from Dr. Rutherford to a distinguished Frenchman, Monsieur Joseph Chailley, who, as a Professor in the Theory of Colonial Government, has paid visits to India and various Eastern colonial possessions, in order to study the questions there arising at the fountain-head. In an article recently published in *L'Opinion*, after criticizing in an absolutely impartial manner, and not always in a flattering strain, the various branches of our administration in India, he concludes:

"*Without a doubt this English rule is not wholly good—more than one reform has failed. Neither education, nor the*

administration of justice, nor legislation, however carefully considered it may have been, is entirely above criticism. But in these matters, so strangely difficult, only the ignorant would dare to criticize without reservation all that the English have done. The whole policy, essentially English, is healthy, happily conceived and skilfully practised. The population approves at least by its silence, and at bottom applauds. Only a very small body of noble souls and a more compact troop of ambitious people blame and menace Government. But their number is not imposing, nor is their force redoubtable. Also, in spite of the awakening of Asia, England need not at present tremble for the duration of her rule. The people and their traditional and moral interests are at one with her, so also in our opinion are their present and material interests."

The silver lining to India's cloud is, Dr. Rutherford suggests, the King's Proclamation. The importance of that gracious message can hardly be overestimated. It must also be admitted that in a certain area of the Indian continent there is trouble, but it is a gross exaggeration to point to this as a cloud enveloping the whole country. If Dr. Rutherford be really anxious to do some service to our Aryan brethren in the East, he will, mindful of the responsibility which attaches to his position, abandon the sensational style of writing, and, before framing mischievous appeals to the democracy, consider the advantage and the fairness of humdrum statements of facts over tall and unreliable denunciations.

April, 1909.

IV

INDIAN ADMINISTRATION AS IT STRIKES A DISTINGUISHED FRENCH STUDENT

JOSEPH CHAILLEY.

If we may borrow from *India*, "it is never labour lost to the student of the Indian problem to gather the views of intelligent and well-informed foreign observers," and therefore we make no apology for publishing the following translation of an article which appeared in *L'Opinion* on June 13, 1908, written by Monsieur Chailley, a clever exponent of the science of Colonial administration. It does not, of course, in some particulars represent views to which this Association can commit itself, but it is so interesting and so generally appreciative of British work in India that the Council have decided to publish it *in extenso* without comment or explanation.

INDIA is disturbed and agitated. On the North-West Frontier, along the spurs of the Himalayas as far as the Afghan plateau, one or other of the tribes more or less dependent on England has taken up arms. They are not, as it might seem, excited to rebellion by the Amir, but they are aided and abetted by some of their brothers in the Afghan dominion. In the interior of India, in more than one part, at one time in the Punjab, and now more especially in the two Bengals, some agitators have tried, and are still trying to appeal both to the interests and the passions of the people, in order to try and stir up not only Hindoos but Mussulmans against the English rule. Between these two there is no connection. The tribes of the North-West are warlike robbers, who fight for pleasure or for spoil. The agitators are discontented people, who

are ambitious, and who clamour for reforms. With what are they discontented? What do they want, and what are their ambitions? It is a long story. India, which is as large as Europe from Moscow to Gibraltar, numbers 300,000,000 inhabitants: 60,000,000 are under the rule of native Princes, and 240,000,000 are under English rule. England has taken the whole of a century to conquer her, from the middle of the eighteenth century to the middle of the nineteenth. It has been a work done by patience and opportunity rather than by mere force. *There was not, and there never has been, an Indian nation. If there is one some day, it will be the English who have created it in all its particulars.* The conquered were a hundred different peoples, different in race, religion, history and language; people with white skin and people with black; Hindoos, Buddhists, Muhammadans and Animists; men of the plough and men of the sword; priests, warriors, etc. England has subdued them, ruling them at first from afar and afterwards ruling them on the spot, with a watchful sagacity, and with, at the very least, a desire to do justice. She has imposed peace, insured the security of person and property, and has taught industry, expecting economic results. It has been an enormous task, which she has done alone and done well, without native counsellors, if not without native assistance. She has been able to admit a great number into the execution of this task, and has reserved the conception and direction of it to herself—a form of government which Macaulay has styled "an enlightened, benevolent despotism."

The Indian malcontents will only admit the word "despotism" in this formula.

In order to pass judgment on their criticisms, it is necessary to know how the administration of India is organized. The English will tell us that they govern with 1,000 officials; but they have in view only the Civil Service, which is entrusted with the general administration, with the land revenue, with the courts of justice, and which is

recruited by competitive examination, and invested with great prestige. One ought to add to this 13,000 or 14,000 other Englishmen who make up the technical services, a total of 15,000. These 15,000 Englishmen have under their control many millions of natives. About 100 are high officials (Judges of the High Court, Directors of Accounts, District Judges, and Collectors); these earn from 800 to 3,000 rupees per annum. The rest are secondary magistrates; engineers; men in the police, Postal and Telegraph Departments; in the railways; in the Irrigation Department, etc. (these earn from 10 to 1,000 rupees per month); subordinates of every rank, of every quality, who share the innumerable and inferior appointments which the English are not allowed to take for more than one reason. It is in order to recruit this formidable army of subordinates that they have created the universities and schools of India, and have organized a system of education following a plan for which Macaulay, who was at that time a member of the Government of India, is responsible.

The Charter of 1833 had just made the promise, which was confirmed later by the Proclamation of 1858, that no subject of the Queen would be excluded by reason of race, colour, or religion, from any public appointment. As they wished to make natives into officials, it was necessary to educate them. They deliberately and exclusively pointed out Western ideas of learning to them. Macaulay doubtless believed (they all believed it in those days) that education in itself was sufficient to effect a rapid change in the mental outlook of a people.

It changed very little, but it altered considerably the respective social influences, if not the actual value of the different classes of the population. It prepared the future of a new class, one with which the Anglo-Indian Government would more than once have to reckon. Let us call it by a term, not too inaccurate, "the lettered class." It would take too long to describe the programme and methods

of education, its examinations, etc. Let us content ourselves by saying that it was the upper castes, not the Princes, but chiefly the Brahmins, who filled the schools and the colleges. They were glad to procure for themselves (thanks to their prodigious memories) a means of livelihood, eager to raise their social status. They took diplomas and passed the examinations which qualified them for the public service. They even had a try for the Civil Service in the competitive examinations, and every year there have been some successful candidates of their class among the English. At this moment, strong in the promises of 1833 and 1858, and strong in their success in the Universities and in the examinations, they believed they had reached the object of their ambition—namely, higher appointments with the powers that appertain thereto. But it was not to be, and they found themselves soon taken down a peg or two. This was a cruel disappointment, out of which has come much irritation and distrust.

The English have been doubly imprudent. At first they promised much in terms vague and unexplained. They had promised, but with mental reservations which for a long time had been kept secret. Afterwards, having created schools for the purpose of training officials, they appointed masters who were at first chiefly Europeans, but afterwards natives, not of a very high order. Their Universities became examining bodies without possessing any serious influence over the minds and characters of the students. The products of these affiliated colleges were mediocre; memory was developed more than the intelligence; the learning was more superficial than profound; the docility of the students was more marked than their originality—everything, in fact, which would qualify them for posts of a subordinate rank. But they found themselves far from the fulfilment of their highest hopes.

For a long time the English and the natives alike have refused to acknowledge this failure of their hopes. The natives continued to learn and to gain diplomas; they went

on asking for and obtaining these secondary places. At length a chosen few despised these same consolations and turned their attention to politics. Some formed on the spot the National Indian Congress—that organ which shows forth the claims of the natives; whilst others went to England, there to look for and to find encouragement and help. Some men of considerable importance—Bradlaugh, for example—made themselves the allies and champions of their cause; whilst in India some natives of considerable talent have made themselves the determined advocates of the ambitions of their class. Among these are Mr. Romesh Dutt, at one time a Commissioner in the Civil Service, who has helped on the cause by his books, scientific in appearance; also Mr. Gokhalé, with his sustained and fiery eloquence, the power of which even the Viceroy had to own.

All that existed without actual result until the day of the Russo-Japanese War. The victories of Japan excited enthusiasm in Asia. China, Indo-China, Persia and, above all, India, believed that the European Powers would be shaken from this time. The élite, who were less credulous, hoped for much in the way of reforms and liberties from a man like Mr. Morley, the Secretary of State for India. Two groups were formed, one already in existence, called the legal agitation party, the other composed of those who desired a propaganda of their cause by deeds, by boycotting English goods, and by the use of bombs—*i.e.*, the party of violence. An occasion arose which furnished a pretext—the division of the immense province of Bengal (80 millions) into two new provinces. A false interpretation was made of this measure, and the movement passed from words into deeds. The local government was stupefied and England was disturbed, but did not wish to return violence for violence. Inquiries were started. An Under-Secretary of State came to India in order to study and prepare measures for decentralization. In the interval, the old heads of the legal agitation party made some

ground. The powers that be consented to listen to them, and these are some of their complaints at the present time: England rules rigorously, and appropriates some of the sums which she levies on the Indian people for the benefit of British policy. This is why the taxation is too heavy, and why, in a country relatively fertile, famine rages. The people of certain districts are too poor, in consequence of the taxes, to buy grain. England ignores the people that she has to govern. She holds herself aloof and considers them beneath her; she gives them no proof of being able either to understand them or to sympathize with them. That is why she passes so many measures which are contrary to her own interests and contrary to the sentiments of her subjects.

This state of things will continue as long as she refuses the co-operation of the natives. She has trained, both in the schools of India and in the Universities of England, a select number—men of action, whose co-operation should be precious to her if she would only cease to repulse them, if she would only admit them into her Councils. Let her make room for some Indians in the Viceroy's Council, in the India Council (in London), in the Executive Councils of the Governors of Madras and Bombay; let her make room for some Indians in the different Legislative Councils, not only for a few individuals chosen, as they are at present, by the Executive, but let there be room made for many more representatives chosen by the people.

Such, in broad lines, is the programme of the claims of the legal agitation party.

In the meantime the violent party has not entirely given up its methods, and bombs from time to time accentuate and support the arguments of their more pacific allies.

The English have much to say in answer to the arguments of their adversaries.

Firstly this: that it is a mistake to suppose that these accusations are accurate. The lettered classes—products

of the Universities—do not represent either the sentiments or the interests of the masses. They would be repudiated by the aristocracy and by the masses of the people who live by their own labour, and who have probably more confidence in the talents, and more faith in the justice of the European as an administrator than they would ever have in the native.

Then, again, that these lettered classes are neither so well instructed nor so able as they imagine themselves to be, and their administrative and political abilities are probably far below their intellectual abilities. Therefore it would be too great a risk to hand over to them the duties of presiding over the destinies of their people.

And, finally, that the gifts of mere scholarship and of being able to pass examinations with success are not sufficient in themselves to qualify a man to govern. Character and dignity must be acquired. Consequently the English aver that, if the day ever arrives when the right of governing is handed over to the lettered classes, to those who are "clever on paper"—to an immense Hindoo majority in fact,—then a large part of India would rise up with one accord and protest. In fact, all the Muhammadans have a very different conception of those qualities which enable a man to command and to direct, and they would implore the English not to abandon them.

And all this can be supported by facts. But the English for the last half-century have indeed committed an irreparable mistake. They have disdained, for reasons of policy, to listen to the complaints of the people in those matters in which they have a legitimate grievance; they have made solemn promises and then have skilfully evaded their promises. Now, to-day, these stratagems (hardly disguised) weigh on their consciences, and they find themselves constrained, by reason of the threatened storm, to concede to these claims, when they might have gained by yielding to them at the opportune moment during quieter days.

Let us count on them still to know how to grant some

concessions and how to put off others. But the era of determined resistance is over.

India is about to enter into a new period—one of co-operation between master and subject. Let us hope, for everyone's sake, that she will continue to advance for a long time to come under the direction of the English.

May, 1909.

V

BRITISH RULE IN INDIA

A REPLY TO A RECENT AMERICAN MANIFESTO ON THE SUBJECT

By Sydney Brooks.

The following very striking reply of Mr. Brooks (a gentleman with prolonged experience of America) to a recent American manifesto attacking the Indian Government seems deserving of careful consideration, and forms an appropriate appendix to our second leaflet, "The Truth about the Government of India according to Mr. Howard Campbell." It is extracted from the *Springeld Sunday Republican* of April 4, 1909:

Several American papers recently published, in the form of an open letter to Mr. Roosevelt, a manifesto signed by seventeen American gentlemen, denouncing, castigating and, as I shall quickly and convincingly show, libelling British rule in India. Most of these gentlemen are clergymen, and it would be interesting to inquire how many of them have visited India, or have made any particular study of its problems, or are qualified to pass judgment upon the stupendous and intricate questions of economics, statesmanship and social and financial policy presented by the government of the peninsula. Of those who are not ministers of the Gospel, some are known to me by name as vehement anti-imperialists who are just as much opposed to American rule in the Philippines as to British rule in India, and who seem to regard all government of Oriental people by the white races as an abomination. Anybody familiar with the methods of political controversy would

expect a pamphlet issued under such auspices to display more indignation than accuracy, more violence than love of truth, and more heat and imagination than knowledge. But the unrestrained bias which these writers display in their strictures upon British rule in India, their recklessness of misstatement, their ignorance of some facts and their distortion of others, have, I confess, surprised me.

1. "The people of India have no voice whatever in the management of their own affairs." The brief but sufficient answer to this is that over 60,000,000 Indians are governed by native rulers under what is in many cases merely a modicum of British supervision; that the armed forces of the Crown in India are two-thirds native and one-third British; that nearly 1,400,000 Indians are engaged in the service of the State; that natives dispose of the greater part of the magisterial work, sit on the bench in each of the High Courts and exercise jurisdiction, in all classes of civil cases, over Indians and Europeans alike; that natives greatly outnumber the British in the 750 municipalities and the 1,000 rural boards; that Indians sit on all the legislative councils, and are consulted as a matter of course by Government before any measure is even drafted.

2. "Not a tax can be changed, not a rupee of the people's own money appropriated for any purpose, however urgent, without the consent of British officials. Even the new 'reforms' proposed by Lord Morley will effect no essential change." The first statement is substantially, though not absolutely, correct; the second is wholly false. The natives of India have for many years past been trusted by their British rulers with the bulk of the administrative work of the country. From now onward they are to be allowed an effective, an all but decisive and controlling voice in the spheres of policy and legislation. To say that this involves "no essential change" is simply nonsense.

3. "To-day fully 100 editors are serving terms of from three to ten years in prison, many of them without trial, with-

out having had opportunity to defend themselves, in not a few cases without even being informed of the nature of their offence." Every one of these statements is a separate falsehood. I think about seventy-two editors have been imprisoned for incitement to rebellion and anarchism. In each case they have been tried, they have had every opportunity of defending themselves; they have been fully informed of the nature of their offences. The writers of the manifesto have fallen into the egregious error of confusing imprisonment with deportation. Nobody is imprisoned in India without a fairer trial than he would receive in a good many countries with which I am acquainted; and as for deportation, only eleven agitators have undergone this form of punishment in the last two years—a form of punishment, let me add, constantly resorted to in the native states.

4. "In India the mere discussion of reforms is punished by open or secret imprisonment." No more ridiculous statement was ever penned. There are some 8,000 native journals, every one of which is devoted to the "discussion of reforms." The National Congress has done nothing but "discuss reforms" all the years of its existence, and the Government has just issued two enormous Blue books, filled with the "discussion of reforms" by native gentlemen of all classes and creeds, from every point of view, Hindu and Muhammadan, land-owning and professional, pro-British and anti-British.

5. "There is no Indian home that is not liable at any hour of the day or night to be forcibly entered and searched at the instigation of spying police. There is no Indian gentleman, however high his standing or unimpeachable his character, who may not at any moment be arrested and hurried away to an unknown prison." If this is really so—and I believe it is—it merely shows that conditions in India are in this respect precisely the same as conditions in France.

6. "All telegraphic and other news from India is closely

censored in the English interest." There is not a word of truth in this. No censorship over the telegraphic or other news from India exists in any shape or form whatsoever, and it has often, I believe, been a source of official complaint that the Government should have no power in checking the stream of sensational and provocative misinformation that flows from newspaper correspondents in India, and that leads opinion in England into thinking the situation in the dependency worse than it really is.

7. "India governed herself for thousands of years." Such a statement concisely inverts all that is known of Indian history. India has never governed herself. She has been invaded time and again; her peoples have been massacred by tens of thousands; kingdoms and empires have been carved out of her, have flourished, and have passed away in violence and disorder; all her rulers have been conquerors, as alien to their subjects as the British themselves, and holding their sovereignty by no older or better title.

8. "There is no record of Indian wars so bad as the Thirty Years' War in Germany, and none that compare at all in loss of life with the wars of Napoleon; neither does Indian history show anything that in anarchy and violence equals the reign of terror in France." Well, the Thirty Years' War thrust Germany back 150 years in the scale of civilization, and was perhaps the most terrible calamity that ever fell upon a nation. Tamerlane, however, put 100,000 Hindus to the sword, and the Emperor Jahangir, in the palmy days of the Mogul Empire, lamented in his memoirs that although he and his father had massacred "5,000 or 6,000 human beings," Hindustan was still "turbulent and disaffected," and I doubt whether any of Napoleon's achievements were quite on that scale. As for the reign of terror in France, it is well known that it never raised the French death-rate by the fraction of a point; and it is equally well known that the population of India, under the atrocities and invasions and disorders of what

is euphemistically called "native rule" remained almost stationary, and only entered on its course of prodigious expansion when the British brought peace and security.

9. "There has at no time been greater hostility between Hindus and Muhammadans than between Roman Catholics and Protestants in Europe." That is simply equivalent to saying that Hindus and Muhammadans have done nothing worse than burn one another at the stake, duplicate the appalling wars of religion that have devastated Europe and adopt the methods and practices of the Bartholomew massacre and the Spanish Inquisition. I think that is probably true, and I would only add that if the British left India to-morrow, within three months the old animosities would be again in full swing.

10. "According to her ability to pay, India is taxed by her foreign rulers more than twice as heavily as England, and more heavily than any country in the world." I do not suppose for one moment that the authors of this assertion have entered into the laborious calculations hinted at by that judicious saving clause, "according to her ability to pay." I will therefore merely point out that the sum derived from every kind of taxation in 1906-07 amounted to less than $1 per head, and that nearly half of this was the proceeds of the land revenue. The land revenue in India is the precise equivalent of rent in other countries, the cultivator paying to the State what in Europe and America he pays to the landlord; and unless rent is to be regarded as taxation when the State receives it, and merely as rent when a private individual receives it, the sum paid in taxes by the inhabitants of British India is rather less than 50 cents a head a year.

11. "The tax on salt alone has reached 2,000 per cent. of its cost price." The cost of production at the largest sources of supply—the salt lakes of Rajputana—is 4d. per 82 pounds. Therefore the duty is 400, and not 2,000, per cent. of the cost price. Even this seems large. But so carefully have the costs of production, transportation, and

distribution been kept down that the price of salt to the Indian consumer is not materially higher than in England, and is substantially lower than in France, or Italy, or the United States, being on an average less than 1 cent per pound. Under native rule, owing to bad communications and transport, crude methods of manufacture and a perfect network of inland Customs and transit duties, salt was very much more costly, and was often, indeed, not procurable. While I am on this branch of the subject I will add that the Indian peasant, who forms from two-thirds to three-fourths of the population, pays no tobacco tax, no tea or coffee tax, and only $3\frac{1}{2}$ per cent. Customs duty on his cotton garments. No peasantry in the world is so lightly taxed.

12. "England is burdening a starving people with the payment of wars carried on outside of India." England is now doing nothing of the sort. She used to throw a part of the expense of employing Indian troops outside of India upon the Indian exchequer, but this practice was very properly abandoned several years ago, and will never be revived.

13. "The terrible famines in India are not caused by any lack of food, but by an abject poverty brought about by British rule." Famines in India are primarily caused by the failure of the monsoons. When the rains are regular and abundant, agriculture is possible; when the rains are irregular or insufficient, the main industry of the country comes to a standstill, and the Government is confronted with the problem of the unemployed on a scale beyond any Western experience. The poverty of India is, it is true, abject and pitiable enough, but to charge it to British rule is grotesque. The social habits of the people, their improvidence, their reckless expenditure on dowries and wedding festivities, have infinitely more to do with it than any external agency has or can have. You might remit the whole of the land revenue, and abolish the salt tax and the Customs duties, and India would still be abjectly poor, and famines would still occur. As a matter of fact,

every test by which one can gauge the well-being of nations—the increase of revenue in spite of a decrease of taxation, the imports and exports, the industrial and savings banks' deposits, the railroads' returns, the amount of coin and paper in circulation, the figures for investments and so on—all point to a slowly rising standard of comfort in India under British rule.

14. "The annual tribute paid by India to England is rated at from $125,000,000 to $150,000,000." In the ordinary and recognized sense of the word, no tribute whatever is paid by India to England. The British connection imposes upon India the annual payment of certaim sums. These sums, which amount to less than $100,000,000 a year, are in payment partly of military and railway stores and materials, partly of administrative expenses, and partly of interest on debt and upon capital invested in productive industries in India. In other words, for every rupee remitted, India has received a full and fair equivalent in goods, services, or capital, and Mr. Roosevelt was thus absolutely and literally right in asserting that all the moneys raised from India are spent in India. The sums due from India in this way are actually paid for by the excess of exports over imports, and the authors of the amazing manifesto I am criticizing appear to regard the surplus of exports over imports as a "tribute" to England. But the United States shows annually a huge surplus of exports over imports in her dealings with Great Britain. So also do Australia and the Argentine Republic. Are these countries also paying "tribute" to England? or are the authors of the manifesto talking nonsense?

15. "The railroad policy of India is controlled wholly by the prospect of strategic value and financial return to England. It is England primarily that profits by these roads; they are in the hands of Englishmen, and the revenues derived from them go into the pockets of Englishmen; they are built where they will be of most advantage to the English, not where they will most benefit the people of India." A

mere glance at the map, showing the railroads that link up all the great centres of population, is enough to dispose of the fatuous allegation that lines have been built for the advantage of a few thousand Englishmen, or could possibly be made to pay if they did not minister to the needs of India. As for the equally preposterous charge that the revenues derived from them go into the pockets of Englishmen, it is enough to say that of the 30,000 miles of railroad in existence the State owns over 22,000, realizes a profit of some $12,500,000 on their working, and in one way or another devotes the whole of this profit to the relief of taxation.

There are one or two other statements in the manifesto that I might challenge with equal success, but I have, I think, written enough to expose it in its true character as a masterpiece of mendacity or ignorance.

May, 1909.

VI

THE TRUTH ABOUT LORD MORLEY'S REFORMS; OR, IS INDIA MISGOVERNED?

(By a Conservative Indian)

Lord Morley's reforms have been conceived boldly and generously, and in a spirit which redounds to the credit of the freedom-loving instincts of British statesmanship. Great Britain has done its part nobly and consistently with her great traditions in thus inaugurating constitutional changes of a far-reaching character in the machinery of the government of India. The Indian Councils Reform Bill is destined to mark an epoch in the political history of India, and it must therefore be the concern of every well-wisher of India and England to see how to give effect to these great changes, and in what spirit they should be received.

As Lord Morley very correctly said, the Reform Bill is "no concession to violence." On the other hand, Lord Morley has pushed on his constitutional reforms in spite of the anarchist and the seditionist, thus showing that the true British instinct is sufficiently broad and liberal to ignore as negligible those who wish to put an end to British rule in India, and preach sedition in various forms and shapes and go the length of adopting anarchist plots and methods as a part of their work.

There are two ways of looking at the reforms. One is, to look upon them as having been wrung out of an unwilling Government by means of bombs and sedition; and the other is to look upon them as the natural and

legitimate outcome of those very principles which the British Government has not only laid down for its guidance in ruling India, but has been steadily giving effect to in its administration of the country according to the increasing fitness of the people for the measures inaugurated from time to time. Beginning from the year 1857, and looking back upon half a century of British administration, all but the most perverse and misguided will readily admit that the people of India have not simply been *ruled* by Great Britain all along, but have been *raised* in every direction—so much so that the very cry for reforms and changes furnishes the most eloquent testimony that England's rule in India for the last fifty years has been a steady and mighty lever in uplifting the political ideas and aspirations of a people who were innocent of such ideas all through their past history. The present reforms, or, more correctly, constitutional changes, are not the result of any political cataclysm brought about by the seditionist and the bomb-thrower, but they have been ushered in by a liberal-minded Viceroy and a liberal-minded Secretary of State alike, to meet the growing requirements of the country.

This being the truth in the light of the history of British administration for the last half-century—about which no less a critic than Mr. R. C. Dutt said, in a speech he delivered at Tanjore, that "he saw progress in all directions under the British Government," and who also gave them the wholesome advice that we Indians should set our houses in order and fit ourselves for the future we aspire to—it is necessary that ill-informed Englishmen or globe-trotting M.P.'s should not for the sake of sensation or notoriety, or in ignorance of the truth, startle the British public by gross and unfounded charges against the British Government in India. It should be remembered that the state of things in India is so very different from what obtains in England, that democratic or socialistic principles or ideas are not only out of place in Indian politics, but excite the laughter of those who know anything about Indian social conditions.

Such charges have the unfortunate and undesirable effect of making the government of India more and more difficult to the best of Viceroys and Governors, besides poisoning the minds of Indian youths against the British people as a whole and casting an unmerited slur on the British administration of India.

The truth is, there are two sides to the British government. One is the side of administrative efficiency pure and simple, as affecting the people at large; and the other is that of meeting the growing political ambitions and aspirations of the people, as they become fitter day by day for a larger share in the administration of the country. So far as administrative efficiency goes, the most captious critic will admit that the changes the country has witnessed under British rule proclaim progress in every direction.

Regarding concessions of political rights and privileges to India on democratic lines, the problem is fraught with so much practical difficulty, and is so closely connected with the social and religious divisions into which India is divided, that it is only a student of Indian sociology in its innumerable ramifications and differences between class and class, race and race, and sect and sect, that can realize the difficulties and dangers of transplanting representative institutions successfully into Indian soil.

The Rev. Howard Campbell gave utterance to a great truth when he said: "If those who are ready to listen to the statements of political reformers who for the most part belong to the proudest and most exclusive classes of society were to study the speeches and writings of the social reformers, a little body of brave men who have been excommunicated and persecuted as a reward for their unselfish efforts on behalf of the poor and the weak, they would get a very different idea indeed of the present situation."

Even foreigners who have visited India from time to time, and with no very friendly eye to Great Britain, have been struck with the essentially beneficent and progressive tendencies of British rule in India, and have returned home

with a blessing for the British rule. Here is what a Professor who is author of a highly interesting and instructive work, and who has spent about a quarter of a century in India, says in a letter to me:

"I am now living in a country [the Professor is writing from France] where these ideas of liberty, brotherhood, and equality, may almost be called a national passion. Yet, with all the high qualities of the French and their wonderful intelligence, I find as little real liberty here as there is in Germany, where the Government is a tyranny. I rather look upon liberty as a thing unattainable by men. It is an ideal prize realizable only by a people which should have attained its highest potentialities, perfect self-respect and moral greatness. It is the most difficult and momentous problem we have all to face. I do not think theories and formulas help us very much. The practical difficulty is, that in snatching at liberty you only escape from one bondage into another. But it will come of itself in so far as a people is fitted to receive it."

Democrats and socialists, if they mean what they say, will have first to demolish the religious and social distinction of the Indian caste system, and if they begin doing any such thing they will be hooted out. One can hardly underrate the difficulty of sowing democratic ideas and principles amidst peoples of different races and creeds, and amidst the rocks of an unbending caste system which is an aristocracy based upon birth and ordained by God.

Lord Morley's reforms will therefore require the utmost energies of the Indians in the direction of their social reformation before they can bear good fruit.

July, 1909.

VII

BRITISH RULE IN INDIA*

As the editor of *India* (who was specially invited to republish the following paper) is "unable to avail himself" of this interesting communication from an experienced American missionary, it seems desirable to circulate it as widely as possible amongst editors who are willing to let their readers "hear both sides."

AN "open letter," addressed to Mr. Roosevelt, having appeared in the *Los Angelos Times*, protesting against his "laudatory characterization of British Rule in India," the following reply was sent by Dr. David Downie, who is widely and deservedly held in high esteem as a worker for many years at Nellore:

"The writers of that letter evince gross and culpable ignorance of the real state of affairs in India when they say that the Government of India is worse than that of Russia; that the people of India have no voice whatever in the management of their own affairs; that in India the mere discussion of reforms is punished by open or secret imprisonment; that there is no Indian gentleman, however high in position or unimpeachable his character, who may not at any moment be arrested and hurried away to an unknown prison.

"I have been a missionary in India for thirty-five years, and have had exceptional opportunities of knowing the people and the Government of India, and I say, without the slightest fear of contradiction, that there is not a single word of truth in the statements I have referred to. I cannot believe that any one of the signers of the protest has ever been in India, or, if he has, it has been to make a hop, skip and jump through the country, seeing little of the

* From the *Hindu Patriot*, June 21, 1909.

country outside of the show cities, and learning little of either the people or the Government. It is not true to say that the people have no share in the government of the country.

"In the Madras Presidency there are 22 districts, each one of which has what is called 'the District Board.' I am a member of one of these Boards. It is composed of 32 members, of whom 25 are natives, and about one-half of them are elected by the people. There are 1,000 such Boards in India, and what is true of those in Madras is equally true of all the rest. There are 1,500,000 natives in Government employ, and less than 10,000 Europeans.

"These natives are learning self-government; but, as yet, it is quite true, as the President says, that India is incapable of self-government, and if left to themselves the people would fall into mutual strife, anarchy and ruin. This is called by these protesters (flying in the face of history) 'India governing herself for thousands of years.' Have any of these protesters ever read a line of Indian history? Do they not know that, before the British entered India, it was wave upon wave of invasion, war upon war, and conquest upon conquest?

"As to taxation, it is quite true that salt is highly taxed; but for the mass of the people it is the only tax they have to pay, and the amount of salt used by a family is so small that it is very far from being a burden. Britain is taxed twenty-five times more than India. France and America are taxed thirteen times more than India. There is no country in the world that has a smaller tax *per capita* than India (see Bishop Thorburn's 'Christian Conquest of India').

"President Roosevelt is right when he says that 'India never had a better Government than the present.' It is the best possible under present circumstances. Britain will give her a better just as fast as the people are able to take it. I love India and mean to end my days there, and for that reason it hurts me to hear otherwise intelligent men talk so foolishly about a country they know so little about."

VIII

THE SIMPLE ARITHMETICAL TRUTH ABOUT THE LAND REVENUE OF INDIA

THE simple arithmetical truth about the land revenue of India is that it amounts now to about £20,000,000 *gross*, or, at the present value of the rupee, Rs. 300,000,000, and that the area of land *actually cropped* in 1906-07 was over 214,000,000 acres, of which about 37,000,000 acres were permanently irrigated (mostly, no doubt, with at least two crops); so that the actual number of crops reaped was probably not much under 250,000,000, and the average assessment per acre of crop would be Rs. $\frac{300,000,000}{250,000,000} = \frac{6}{5}$, or a little over 19 pence—say 1s. 8d.

This assessment ranges from Rs. 20 an acre (or even more), over whole villages of permanent double-crop land in the more fortunate parts of the country (where, owing to excellent irrigation, absolute failure is unknown, and where consequently there is the greatest prosperity when other parts of India are in the grip of famine), down to 2, or even 1, anna an acre in the dry tracts, where the land is only occasionally cultivated, and hardly worth cultivating at all. This low average assessment is not, of course, a proof that no land is ever too highly assessed, but it *does* prove that the land revenue as a whole is not a very serious burden on the land; for even if the average gross produce could be estimated at no more than Rs. 15 an acre (as suggested by the late Mr. Digby for fertile Bengal), the average assessment would be only 8⅓ per cent.; whilst it is clear that Rs. 15 would be scarcely enough to pay the cost of cultivating an acre of the better sort of land.

It may be added, for convenience of reference, that the land revenue per head of the population (leaving out Burma) varies from 4s. 7d. in Sind (where almost the whole cultivated area is irrigated) to 8d. in Eastern Bengal; or, omitting Zemindari tracts permanently settled, to 1s. 11d.

These figures might be usefully compared with Mr. Keir Hardie's assertion, made at a public meeting at which Sir William Wedderburn and Sir Henry Cotton were present, and not contradicted by either of them—it is repeated in so many words on p. 2 of his little volume "India," just published—that "over a great part of India" the Government "wrung from the peasants 75 per cent. of the yield of the land." This statement had special reference to the Central Provinces, where the average assessment is officially stated to be *from* 8 *to* 9 *annas an acre* (p. 18 of the "Moral and Industrial Progress Report" for 1907-8, dated 20.5.09).

It may also be useful to reproduce here a statement published in the "Reports of the Moral and Industrial Progress of India," showing the proportion which the land revenue has borne to the gross revenue of the country since 1842-43:

LAND REVENUE FROM 1842 TO 1907 (DECENNIALLY).

1842-43	About 60·0 per cent.	
1852-53	„ 56·6	„
1862-63	„ 43·4	„
1872-73	„ 37·7	„
1882-83	„ 31·0	„
1892-93	„ 28·0	„
1902-03	„ 30·0	„
1906-07	„ 29·0	„

This statement shows that the proportion of revenue exacted from the land has steadily declined from 60 to 30 per cent., whilst at the same time the only other unavoidable tax, that on salt,* has been enormously decreased,

* The retail selling price of salt varies now from about Rs. 3 (in two districts only) to about Rs. 1½ a maund of 82⅔ lbs., or from rather over ½d. a lb. to rather more than ¼d. In the Punjab, Madras, and Bombay (where it is usually cheapest), it averages less than Rs. 2 a maund, or not quite double the duty levied by the State. Before we had railways we used to calculate that the price was double for every hundred miles of transport; and as the Government duty was at one time Rs. 3½ it may be

and brings in now far less than excise, which, whatever else may be said of it, is clearly a voluntary tax.

To compare figures prior to 1889 with those of that and subsequent years, the figures must be converted into tens of rupees; so that, taking quinquennial averages of the land revenue from 1861-65, including that due to irrigation in some parts of India, and sundry receipts usually credited to land revenue, we should have the following result:

	£
1861-65	13,287,000
1866-70	13,227,000
1871-75	13,977,000
1876-80	14,076,000
1881-85	14,748,000
1886-90	15,444,000
1891-95	16,522,000
1896-00	17,217,000
1901-06	18,754,000

During this period (which practically covers the whole of the time during which the country has been under the direct rule of Great Britain) the area under cultivation, and especially the irrigated area, has enormously increased, so that the actual increase in the revenue from land has been very gradual and extremely moderate. According to the latest return, dated 20 . 5 . 09, it has increased by 27 per cent. in the twenty-six years from 1882 to 1908. It was actually less in 1907-08 than in 1906-07.

"Who would imagine, after reading Mr. O'Donnell's denunciation of 'rack-taxing' in the Punjab, that the area actually cultivated increased from 19,313,636 acres in 1889-1900 to 25,065,266 acres in 1904-05, and that the incidence of taxation at the same time had actually fallen from R.1 5a. 8p. an acre in the earlier period to R.1 1a. 5p. at the latter? The enclosure to a paper

imagined what the price was five or six hundred miles from the source of supply. It is not the weight of the tax that matters now, but only the monopoly itself. The very liberal allowance of a maund of salt for a family would cost now from Rs. 1½ to Rs. 3 a year, or from 2s. to 4s.—say, four to eight days' labour, or, roughly, an income tax of from 1 to 2 per cent. (according to one's place of residence) on gross earnings.

recently published, entitled 'Land Revenue Assessments in the Punjab since 1855,' is a complete answer to Mr. O'Donnell's wild and reckless charges. It shows, in brief, that the incidence of taxation in 1855 was R.1 2a. 5p. that it steadily declined till 1899-1900, rose again to R.1 2a. 10p. in 1894-95—coincidentally with the enormous decrease in the gold value of silver and a great increase in irrigation,—attained its very moderate maximum of Rs.1 5a. 8p. in 1899-1900, when the irrigated area was no less than 72 per cent. of the whole area cultivated, and in 1904-05 was actually 1 anna an acre less than in 1855, though the area irrigated had increased by millions of acres in the meantime" (*Asiatic Quarterly Review*, July, 1908, p. 69). These rates are, of course, exclusive of water-rate, for which the ryot gets a very ample equivalent.

In conclusion, we may fairly quote the following recent tribute to the Irrigation Department, which has done so much for India, and will yet do so much more ("A Spirited Defence," from the *Indian Spectator*, April 10, 1909, p. 282):

"We have seldom read an official reply to non-official criticism fuller and more completely overwhelming, at least on first reading, than the one which the Hon. Mr. Miller made at the last meeting of the Viceregal Council in regard to the Government's irrigation policy. The Hon. Member for the Central Provinces had alleged that more wonderful things are done in Egypt and America than in his own land, and he quoted Mr. Bryan in support of his criticism. This unkind cut drew forth a warm reply from the Hon. Member in charge of the irrigation portfolio as follows:

> "'If the Hon. Member would only go and see for himself, if he would spend a week on one of the great canal systems of this country, and then, if he chooses, compare what has been done in Egypt and America, we should not have to listen to the remarks we have heard to-day. He thinks to support his case by quoting a great American orator, who made, if I

recollect aright, a hurried rush across this country, a politician whose flow of eloquence has not secured him over much credit in his own country. If the Hon. Member wants an American opinion, why does he not go for it to an American engineer? He would then very quickly learn that his own country, of whose efforts he talks so slightingly, has led and still leads the world in the matter of State irrigation, and that the recognized pre-eminence of India in this respect might well be the subject of some patriotic pride. What share Indian officers have had in the development of irrigation in Egypt is well known, but it is not so well known to what an extent other countries look to India for advice and assistance. One of our officers went to Australia to assist that country; several have been required in South Africa; one is, or was, engaged in Spain; the Americans have unofficially utilized the advice of another; the Turkish Government has now engaged a famous Indo-Egyptian engineer to advise it about Mesopotamia; an American engineer is even now studying our system with a view to irrigation development in the Philippines; we have had inquiries or inquirers from Brazil, from Mexico, from Russia, and from Japan. Is it because irrigation has been shamefully neglected in India that all those countries are so anxious to get the benefit of our experience?' "

The Editor continues as follows: " The Hon. Mr. Miller has given ample reasons why we should be proud of our engineers. We cannot stop there: we must be proud of our Government also. Why are our engineers spared for another country also? If we have an abundance of them, does the Government provide less funds to them (*sic*) than they can utilize? or is the full utilization of the allotted funds rendered impossible by other difficulties, such as the inadequacy of labour? Do other countries offer higher salaries to our engineers than we do? If so, why? The admission that 'Indian figures come out second-best' on

a comparison with Egypt is somewhat damaging. But every mother must be proud of her own child, every husband of his own wife, and every country of its own Government; and in the circumstances set forth by the Hon. Member we may well be proud of a Government which has enabled her engineers to give a lead to the world. For some reason or other the engineers have not been able in the past to make use of the allotments made. Their case is not before the public. But the Hon. Mr. Miller gave the following figures to show that there was no niggardliness on the part of Government:

Years.	Provided Lakhs.	Spent Lakhs.
1903-4	125	98
1904-5	160	86
1905-6	183	128
1906-7	191	173
1907-8	195	189
1908-9	212	212 (probable)

"The Government has more than once stated that when a programme is about to be put into force, the whole allotment may not be utilized for reasons which impute no blame to self (*sic*). The surveys, the estimates, the scrutiny of higher authorities, the sanction by the Secretary of State—all these things take time, and we have ere now been assured that the expenditure on irrigation will be progressive. As regards protective works, the Hon. Member said that 'the time has come when the rate of expenditure must probably be increased.' This, if we are not mistaken, amounts virtually to an admission that the Government has been more anxious to spend money on productive irrigation which turns out to be a good investment, than on protective works which the people in the less favoured tracts, particularly of this Presidency and the Central Provinces, want so badly. But the admission we have quoted augurs well, and, if we should be proud now of the engineers, we shall be prouder of the Government hereafter."

September, 1909.

IX

THE PRESENT SITUATION*

At a meeting of the Deccan Sabha, which we congratulate on the activity it is showing, the Honourable Mr. Gokhale delivered an address surveying the present political situation. We welcome the speech not merely for what it contains, but also as affording evidence of the fact that the Moderate leaders on that side of the country realize fully the grave responsibility they incur in keeping silence. The arguments that may be advanced in favour of silence are not without their force, and we do not pretend to ignore them; but we feel convinced that while speech-making is all on one side, the other side is bound to suffer, especially at the hands of the multitude, which has been aptly defined to consist of a few wise and many foolish persons. Argument has to be met by argument, even though it may be devoid of reason; to keep quiet is to leave judgment to go by default. If the Moderate leaders had spoken out, as they now speak out, when the Extremists had gone about stumping the country and holding their triumphs, much of the mischief that has been done by perfervid oratory on susceptible minds might have been averted. All the same, we are glad to note the awakened sense of responsibility, and Mr. Gokhale's lecture is just the sort of antidote that is required. His opening words referred naturally to the Curzon Wyllie murder, which he was inclined to trace to the murderous propaganda of Shyamaji Krishnavarma. It would seem that India House has

* From the *Wednesday Review*, dated 14 . 7 . 09.

been the centre of seditious activities in London, and that Shyamaji's tenets claim about forty to fifty students out of a colony of seven hundred young Indians. Mr. Gokhale promised to revert to the subject of students and politics on another occasion, and we have no doubt his observations would be of immense practical value. He then traced the history of political agitation, which he said extended to forty years. What Mr. Gokhale evidently meant was systematized agitation, for glimpses of political agitation might even be traced to an earlier era. Systematized agitation grew in intensity and volume since the establishment of the Congress. As Mr. Gokhale maintained, the ideals and aspirations of the Congress were to work out national salvation, as it might be worked out under the ægis of British rule. The idea of independence might have floated here and there among a few since the commencement of British rule, but its genesis as a political creed, the war-cry of a party, caught men's minds only in the course of these last few years. Mr. Gokhale did not ignore the fact that, in spite of its short duration, it had spread rapidly in the country by reason alike of its attractiveness and of the lack of political discrimination and judgment among the people. He might have added also the partial indifference of those who, knowing these things, made no effort to counteract their evil influences. No man, said Mr. Gokhale, could be so fallen as to think that there was any special merit in living under a foreign Government, or that there were not humiliations—at times painful and bitter humiliations—inseparable from it. However, the painful and bitter humiliations have to be put up with, because it was a question of what was practicable and what was in the best interests of the country in the present circumstances. That was the standpoint from which he would discuss the question, and judged from that standpoint Mr. Gokhale felt that no man out of a lunatic asylum could think or talk of independence as a working scheme. Our object should be to

expand national life to the extent it could be expanded within the limits prescribed by British suzerainty.

We venture to think we do the Honourable Mr. Gokhale no serious injustice if we say that the idea of Colonial self-government, of which he spoke so eloquently and in such sincerity, was also only four or five years old. Just as the idea of independence floated among the minds of stray Indians, so also the Colonial form of self-government was held as an ideal worth striving after by a few Indians. Justice Sankara Nair in his presidential address at the Amraoti Congress referred to it; but as a political shibboleth it is of recent date. Also, it has to be recognized that it was forced upon the Congress party by a certain section of disloyal Indians. The common and accepted principle of political workers has been to slowly build up a nation and base it on solid and enduring foundations. But certain people took it into their heads to turn out the British, not by active violence for which they were not fitted, but by "passive resistance." The people were to keep themselves aloof, not associate with the Government in their daily task of administration, pay taxes and mind their own business. By this process the British, it is believed, will be induced to abandon India, and we shall obtain Swaráj. "The idea is simply ridiculous," said Mr. Gokhale. It is impossible for the passive resistance movement to thrive without coming into conflict with the Government at the present stage of our civic conscience. It has already resulted in most serious misunderstandings and conflicts which the whole country deplores. To be consistent, either the Independents should be prepared to take the consequences of their misdeeds—their violence and disloyalty will be met only by violence—or give up their propaganda. They cannot protest against repression which only their misdeeds invite. If you tell the Government, "Nature abhors our people remaining dependent for ever upon you, and we are only obeying Nature's laws in revolting against our bondage and for securing our freedom," the Government have a

right to say, "We have secured dominion over you, and till we can be ejected by force we shall maintain our position by the strength of our arms." This the Independents dare not say. They proclaim treason from the house-tops, and when they get the punishment they deserve, they call for Heaven's vengeance upon their oppressors. Such an attitude is neither honourable nor manly. We shall revert to the subject again.

September, 1909.

X

MR. KEIR HARDIE ON THE NATIVE STATES

(CHAPTER XII. OF HIS VOLUME "INDIA")

THE chapter on Native States lays itself specially open to criticism, because here Mr. Keir Hardie, by deductions drawn from transparent fallacies, has enabled us to come to close grips with his arguments. It is, however, easier to start hares than to run them down within periods which shall not overtax the patience of our readers.

The suggestion in the opening paragraph is that the late Lord Salisbury was primarily responsible for the policy (we may add the very wise policy) of maintaining and perpetuating these Principalities, but, as it is generally advantageous to adhere to the historical sequence of events, we commence by pointing out what Mr. Keir Hardie apparently does not know—namely, that the first step in the direction indicated was taken in 1862, during Lord Canning's Viceroyalty, when 160 adoption "Sanads" were issued to all important ruling chiefs, these documents commencing: "*Her Majesty being desirous that the Governments of the several Princes and Chiefs of India who now govern their own territories shall be perpetuated,*" and going on to confer upon each recipient the right to adopt an heir on failure of natural issue. This concession obviated the ever-present possibility of lapses to the Suzerain Power, and terminated for all time such apprehensions as the Chiefs, not entirely without reason, entertained. Lord Salisbury, some years later, was responsible for an act of the highest statesmanship, the rendition of Mysore, being no doubt actuated to some extent by the policy of non-annexation previously inaugurated.

It is a fact, as Mr. Keir Hardie remarks, that Mysore was administered for fifty years by the British Government; but what does he mean by the statement, "*Everything that ingenuity could do was done to make the return to Native Government as difficult as possible*"? Who were these malevolent schemers? Is it suggested that the Government of India broke loose and endeavoured to frustrate Lord Salisbury's sagacity and benevolence? or were the local officials the arch-plotters in this wicked machination? Mr. Keir Hardie's phraseology suggests that these ingenious and hostile influences were exercised during the entire period of fifty years. But the decision by Lord Salisbury to give back the State to native rule was only come to in 1867-68, when it became final and irrevocable; before that date there were few who were in a position to anticipate the turn of events. The period of intrigue was therefore presumably limited to the thirteen years preceding the restoration which took place in 1881. The preliminary requirement of the Rendition was the fitness of the young Maharajah to undertake the responsibilities of office. It will surely not be suggested that there was any backwardness in preparing him for the post of ruler: special measures were taken for his training, and one of his tutors was Colonel Malleson, an officer of considerable distinction. The terms of the Instrument of Transfer, recording the conditions under which Mysore was in future to be governed, were not settled until just before the Rendition, and, the whole proceeding being in the nature of a serious experiment, it was necessary in the interests of the people of Mysore to be very careful. There is no State which stands under weightier obligations to the British Government than does Mysore; and, unless Mr. Keir Hardie has some evidence which he has not disclosed, it seems to us that the charge which he brings against the British Government or its officers cannot be sustained.

His description of the duties of British political officers in their States is, as might have been expected, imperfect and

misleading. The use of the words "*in each of these Native States*," looking to his estimate of their numbers—"*about* 300"—implies that a far larger number of British officers are thus employed than the returns of the central Government warrant. The correct figure is 144, which includes at least 70 assistants, who necessarily work in a subordinate position, as secretaries and so forth. He describes their duties as being to look after British interests, and to keep a watchful eye upon the finances. If the latter implies that the political officer's business is to check wanton extravagance on private expenditure and the neglect of public requirements, no one would quarrel with the description; but we can never be quite certain that such a reference may not cover some sinister allusion to the crazy notion which possesses so many Socialists that Indian officials, poor men most of them, are in active sympathy with and assisting capitalists. As regards British interests, they are generally recorded in the shape of definite agreements, and consequently require but little guarding. What our political officers have to do is to watch the administration so as to secure fair treatment for the Chief's subjects, to act as intermediaries in regard to the surrender of criminals, to conduct the miscellaneous business which arises between adjoining British districts and the Native States, or, what is often of great importance, between one State and another. Above all, our agents are required to be on confidential terms with the Chiefs to whom they are accredited, to offer friendly advice whenever it may be required, and to appear as little *en évidence* as possible.

Mr. Keir Hardie goes on to say, "*Each State*" (here, again, the context shows that "about 300" is the number indicated) "*is under obligation to maintain certain military forces which are at the disposal of the British authorities when needed for the defence of India.*" The forces alluded to, constituting the Imperial Service Troops, are maintained, not by "about 300," but by only twenty-eight States. The exaggeration is not, perhaps, of much importance; what

follows is, however, not quite so harmless. What was originally, he adds, "*a voluntary offer of help to the Imperial Government has now become practically a compulsory charge on the Native States for all time to come.*" This is, of course, an incorrect statement.

On September 1 of this year the Under Secretary for India, answering Mr. Rees, explained, in severely official phraseology, that the maintenance of these troops has throughout been a voluntary undertaking. Seeing that the action of our Government had been misrepresented in a somewhat mischievous manner, the Master of Elibank might perhaps have given a more complete reply, so as to show clearly that the Chiefs concerned acted entirely of their own free-will. As the natural consequence of offers spontaneously made from time to time, the burden resting upon the few Native States concerned is unequal and the scheme has not developed on any graduated system of payments. Were there anything in the shape of a general forced levy, we should find something approximating to uniformity under which the States contributed in proportion to their revenues or responsibilities. This would, however, destroy the essence of spontaneity in a movement which, both in its inception and continuance, is purely voluntary. Some Chiefs who could well afford to join the movement have not offered to contribute, and certainly will not be compelled to do so. The existence of the Imperial Service Troops, whose record is in many instances already a brilliant one, constitutes an unmistakable proof of the desire on the part of some Chiefs to participate in the task of Imperial Defence.

When Mr. Keir Hardie (continuing the rôle of disparaging everything we have done in India) adds that these troops are kept "*solely and exclusively for the use of the British Government*, and that much discontent has thereby been caused," he is using language for which there is no justification. He admittedly visited only two Native States, Baroda and Mysore; the former has no Imperial

Service Troops, and in Mysore, during the course of his inquiries, he might easily have learnt that the carts and ponies of the transport train are continually used for local purposes, whilst the cavalry is employed on ceremonial business, quelling riots, and any military duty which may be required of them by the Maharajah. The essential feature of the scheme throughout India is that the Imperial Service Troops are part and parcel of the State Forces, at the disposal of the Chiefs who voluntarily maintain them.

The present Gaekwar of Baroda is correctly described as "*a man of extraordinary energy and ability.*" His Highness would, however, readily admit that he and his State have solid reasons for remembering with gratitude the action of the Government of India in rescuing Baroda from the headlong ruin which necessitated our intervention in 1875. Moreover, the present Chief is essentially a product of our educational system. When selected to succeed he was a boy, and he owes the foremost position he occupies in the ranks of Indian administrators to the training he received from our officers. What the reforms in Baroda are "*which destroy the whole thesis upon which British rule in India is supposed to be based*" (note the use of the word "*supposed*") is not fully explained. If Mr. Keir Hardie suggests that we should either abolish or disregard the caste system, it is only necessary to remark that in attempting anything of the sort we should inevitably court, and possibly reap, disaster. The sheet-anchor of our policy in British India is an unswerving neutrality towards caste and religious questions. What might conceivably be possible for a powerful Chief in his own territories in levelling up all such distinctions would be mischievous in the extreme for an alien Government to attempt. Does Mr. Keir Hardie believe that India is ripe for a general abolition of caste distinctions and restrictions? The extremists derive their inspirations largely from religious motives. We hear of intercession to the Goddess

"Káli" at Calcutta, processions to her shrine, where sacrifices of living animals go on day after day, and of a man, one of the most advanced, able and eloquent of the extremists, prostrating himself before the idol immediately after his release from custody. The mingling at a Baroda garden-party, of which such a strong point is made, means as little as does the statement that "*the Gaekwar is a Hindu, but his second Chief Justice is a distinguished Muhammadan.*"

The Governments of Baroda and Mysore afford instances where administrative talent has taken advantage of opportunities denied to officials under the more rigid system in British India; our methods, like those of Government service in most countries, unfortunately cramp initiative and confine personal capacity within fixed grooves. Whether it is practicable to give our officials more individual freedom is a debatable point which would obviously require more space than we can afford for its adequate discussion; it is the one prominent issue in the comparison between the administration of Native States and that of our territories. Mr. Keir Hardie's attention, however, is directed towards a different problem. He writes: "*If those parts of India which for over a hundred years have been under British rule are not fit to be trusted with self-government, whilst those Native States which have never been under British rule, or have shaken themselves free from it, are governing themselves on democratic lines, and if the people inhabiting the Native States and those in British territories are one and the same, surely this constitutes a sad reflection on British methods*" (parenthetically we may remark that "*shaken themselves free from it*" is a characteristic expression which, in this connection, seems to be absolutely meaningless). We note, *firstly*, that self-government in British India, even in the minor sphere of the management of local affairs, has, through no fault of our officials, made little progress. Numberless instances are to be found in the administrative reports of Mofussil

municipalities and district boards where, but for continual official nursing and remonstrance, local self-government would not have survived the apathy and indifference which almost everywhere threatened to ruin it. The Government has on various occasions been moved to share in the direct management of the finances of Hindu temples, but has invariably declined. It is admitted by most authorities that, before the people can govern their country, they must graduate in the humbler sphere of managing their local affairs.

Secondly, that there is no such thing as democratic government in either Baroda or Mysore. The Gaekwar is fully as autocratic as any of his fellow-Princes. It is quite right he should be the dominating power in his State; and, as for Mysore, the Maharajah is, by express conditions of the Instrument of Transfer which records the terms under which the State was restored to native rule, personally responsible to the Government of India for the efficiency of his administration, and could not divest himself of this liability even if he wished to do so.

Mr. Keir Hardie has mistaken the *raison d'être* of the representative assembly in that State. This body meets only once a year for a few days to hear a speech which is of the nature of an administration report, and is then permitted to make representations and ventilate opinions in no way binding upon the Government. It performs, in short, the usual functions of a safety valve. The Assembly has never, as is mistakenly stated, been invested with legislative power, and we may safely add that no such step is contemplated.

There has doubtless been a good deal of loose talk about representative institutions in Native States, though, had he not been so ready to accept everything which squared with his notion of things as he expected to find them, and in so doing to formulate dogmatic opinions, Mr. Keir Hardie might without much difficulty have learnt that democratic functions, thoroughly unadaptable as they are to British

India in the present stage of the people's development, would be still more unsuitable in principalities where the personal rule of the Chiefs is an essential feature of the position, rendering it undesirable, even if the rulers so wished (which they certainly would not), to introduce methods which are so far only fitted for Western countries. We should be the last to suggest that the administration of either of these important States, about which Mr. Keir Hardie knows so little, but has generalized so hastily, is not conducted on enlightened and creditable lines from which, especially in Mysore, we could advantageously borrow something, whilst in other respects they might learn a few lessons from us. But as regards Mr. Keir Hardie and his crude notions, if the authorities there could be induced to speak out, they would say we have no use for either democratic or socialistic remedies; neither, we may add, according to Mr. Surendranath Banerji, have the people in Bengal. Those principles and the autocracy which rightly belongs to Native chiefs, and which they cherish, have nothing in common. A visit to many other Native States which we could name would have acted as a wholesome corrective to Mr. Keir Hardie's extraordinarily mistaken views; the result might even have been to shock him a little.

To conclude our observations on this gentleman's advice to us, founded on his very slender experience of Native States, we will, omitting some points of minor importance which could be made at his expense, quote only one other statement, beginning with "*the real facts are*," to the effect that practically all the provinces in British India are, "*if anything*," better fitted for self-government than are many of the Native States; "*but to admit this would be to destroy the underpinning upon which British supremacy rests.*"

Such a proposition is unreal and fantastic. Whatever the future may develop, it is quite certain that, so far, the people of British India have shown no aptitude for self-government of the kind advocated by Mr. Keir Hardie.

Whether they possess the necessary qualities in a greater degree than their brethren in the Native States raises a question that cannot possibly be solved, because there are no materials for its solution. Self-government, outside of British India, as we and Mr. Keir Hardie understand it, being non-existent, we cannot be said to be withholding from our own fellow-subjects anything which those of Native States enjoy, and at a time when we are seriously proposing to create legislative assemblies under our jurisdiction, with non-official majorities, it must surely appear to any reasonable being that Mr. Keir Hardie's suggestions and apprehensions, here as elsewhere, are very much beside the mark.

November, 1909.

XI

WHAT IS THE TRUTH ABOUT THE CONDITION OF THE INDIAN PEOPLE?

"THIS is the test of the merit of all Governments, home or foreign, Do they or do they not secure increased welfare for the body of the people governed?" So says Mr. Hyndman in his report of the Social Democratic Federation to the International Socialist Congress at Stuttgart, which he entitles "The Ruin of India by British Rule," and we may accept the test, though not his conclusions. But we cannot go back to the golden age of Hindu rule (when parts of India were no doubt as well governed as any nation of the then world), or even to the reign of the great Akbár (perhaps the most enlightened sovereign of his day), for comparison with the condition of India during the last fifty years of settled government. We have a right to compare it with the anarchy and confusion which, in spite of Mr. Hyndman's assurances to the contrary, did actually prevail all through the eighteenth and the first quarter, at any rate, of the nineteenth century, and which alone account for the comparative ease with which the English succeeded in establishing themselves on the throne of the Moguls.*

* "The eighteenth century," says a recent and most reasonable Indian writer, Mr. S. K. Datta, "was one of awful bloodshed. Never had the people been so harassed, or war so universal. An eye-witness tells us that the invaders burned the houses together with the inmates, slaughtered others with the sword and lance, hauling off into captivity maidens and youths, men and women. Districts which had been once thickly populated were 'swept bare of inhabitants'" ("The Desire of India," p. 127).

"The British occupation in the opening years of the nineteenth century

It is of very little use to imagine what might have happened if we had not come in, or if the French had succeeded in ousting us. All that reasonable people are concerned to prove is that the state of the country is better than it was when we took over charge, and that it is steadily, if slowly, improving; not that it is even now perfect; and, but for Mr. Hyndman and a few others as ignorant of India and Indian history as he evidently is himself, it would hardly be necessary to argue the point. He speaks indeed of "great States* which managed their own business capably *for thousands of years*, which outlived and recovered from invasions aud disasters that might have crushed less vigorous countries," but it would puzzle him, or anyone else, to name such States; and even if there were well-managed kingdoms in India many hundreds of years ago (as there may have been under some unusually enlightened despots), their history is quite irrelevant to the issue before us, which is the condition of India in the eighteenth century. It is not yet eighty years since Lord Bentinck introduced "the beginnings of conscientious rule" into India, and within twenty-two years of his departure it was shaken to its foundations by the rebellion of the Sepoys. "Just as the eighteenth century was a period of war, invasion, and struggle, the nineteenth has been one of consolidation and conciliation" ("The Desire of India," p. 133). ". . . As to the desirability of the connection between Great Britain and India no reasonable

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meant security and peace. It would be no exaggeration to say that during the previous century the country flowed rivers of blood. Invasions, the rise and decay of petty principalities, the rivalries for supremacy, the predatory warfare of the Marathas, all brought about the murder of thousands of peaceable and industrious peasants whose only desire was to be left alone. The value of life has been raised by the establishment of lasting peace in India. The nineteenth century is a contrast to the internal dissensions which previously divided the country and the incessant bloodshed of the nine centuries preceding British rule" (p. 141).

* No Indian people in historic times ever "managed their own business" as a democracy, if that is what Mr. Hyndman means.

person can doubt, even when viewed from the point of India alone" (p. 141).

"All war is hell," as General Sherman used to say; but even war nowadays is not comparable in horror with what Niccolao Manucci describes it to have been under the auspices of Aurangzib in the closing years of the Mogul Empire. "His army is a filthy dirty place (*sic*), more like a scourge sent by God, judging by the daily mortality of men and animals. The common people are dealt with as mere animals after they are dead. Their bodies are searched to see if they have any money, and, after their feet have been tied together with a rope, they are dragged out of the camp and thrown in the first hole to be found. A great stench is caused in this way, and no measures are taken to get rid of this filthiness. Travellers setting out from this army are not protected against the attacks of the Mahrattas and other robbers; and when you are delivered from this peril you fall into the hands of the Customs' officers or publicans (collectors of taxes). These take what they please unjustly and by force, and if they know that anyone has money on him they rob him, cut his throat and bury him" (*Indian Spectator*, September 11, 1909, p. 726).

Famine, too, is horrible, but in the last thirty years it has been brought under control. "In 1702-1704, when there was no rain for two years, over two millions," Manucci says, "died in the Deccan. Fathers, compelled by hunger, offered to sell their children for a quarter or half a rupee, but were forced to go without food, finding no one to buy them."

Sir Edmund Cox, indeed, in the *Nineteenth Century and After* for September last, speaks of the Portuguese, Dutch, French and English as "striving for the mastery of India"; but were any of these nations consciously striving for dominion until Dupleix conceived the idea in the middle of the eighteenth century? Probably no Englishman before Lord Wellesley ever thought of making England

the paramount power, and that was little more than a hundred years ago. Few people (including apparently such an authority as Mr. Hyndman) realize how very recently our power has been consolidated, or that it was not till after the Mutiny that we can be said to have taken up the business of governing the country in real earnest; and since then, at any rate, it is surely fair to say that "never was a country ruled so much in the interest of the subject people, or so little exploited in the interest of the rulers." It seems almost impossible to realize that Delhi was captured by the Persians (of all people!) and that some 30,000 of its inhabitants were massacred in 1739, and that the English in Calcutta were feverishly digging a ditch round Calcutta to protect it against the Marathas so lately as 1751. Except during the reign of the illustrious Akbar, who was quite unique, such a thing as religious toleration was unknown, and every Hindu was obliged to pay a capitation tax (jazia) for the mere privilege of exercising his religion. There was no security for life or property, and justice was openly bought and sold.

Mr. Hyndman makes light of these facts of history and even seems to attribute them to Anglo-Indian mendacity; but surely he is presuming too much on the credulity of his readers. The story of the Black Hole in Calcutta, at any rate, is too well known; but when our critics reproach us for having done so little after ruling India "for 150 years" (as they say), they seem to forget in what a precarious condition we were when Clive came to Calcutta to avenge the deaths of all those murdered Englishmen just over 150 years ago. We were really fighting for our lives for fifty years after that.

It is quite true, as Mr. Hyndman says, that "previous invaders and conquerors of Hindustan mostly settled down in the conquered country and invariably employed the natives of the country in the highest posts, civil and military"; but it does not follow that the people of the country were better off under that system, though, no doubt,

a few native officials enjoyed higher salaries than they or their European colleagues ever dream of nowadays—*e.g.*, the late Sir John Woodburn, as Lieutenant-Governor of Bengal, is said to have spent £1,000 a year in addition to his salary of one lakh, whereas under the Moguls the Governor of the same province drew, *in addition to perquisites*, three lakhs of rupees, about three times the present rate in rupees, or, considering the value of the reduced rupee, at least four times. Even the Muhammadans never threw the higher ranks of the Civil Service open to public competition. Mr. Hyndman calls this "creeping into the Civil Service on sufferance" (p. 6).

But then it is said we are all interlopers, who never make "our homes in the country, and" (so) "drain away its produce to a foreign land"; and it must be admitted that, speaking generally, the English do not make their homes in the country, and prefer to spend the money which they have earned by the sweat of their brow in more congenial climates, so that six or seven millions a year are mostly spent by them outside the country where the money was earned; but surely this is part of the inevitable cost of an "alien" Government, and the only reasonable question is whether, including this charge, the cost of the Indian Government is excessive. As a matter of fact it is plain, even from the very incorrect figures given on p. 100 of "Whitaker," that the cost of Government to each native in India is not half what it is to the native of Japan, and that, of course, is not half of what the cheapest Government in Europe costs.

Mr. Hyndman is, indeed, a somewhat impossible person to deal with. As a Social Democrat, his opinions and his ethics are naturally peculiar. It it easy and acceptable to those holding similar views to denounce "the ruinous effect of unrestrained capitalism," to characterize the Government of India as a "nefarious despotism," "a white capitalist tyranny," "a pernicious domination of capitalism," which must be destroyed by the "International Social Democratic

Party of the World." To Social Democrats such language is doubtless welcome and exhilarating. Abuse and invective are too apt to take the place of truth with such persons, though there are apparently exceptions, like M. Paul Leroy Beaulieu and Mr. Edward Bernstein, who, after being called in to curse, find themselves compelled to bless.

Fortunately, however, the world is not composed of Social Democrats alone, and instead of adopting the prejudiced and distorted opinions of Mr. Hyndman as set forth in his pamphlet, some disinterested people may prefer to take a juster and more generous view of the work of the British Government in India. To such persons, recognizing the fact that the British people find themselves responsible for the administration and good government of a vast dependency of some 300 millions of mixed Oriental races, the plain question is this, Is the Government honestly and conscientiously endeavouring to discharge its duty in the matter to the best of its ability, or is it, as Mr. Hyndman asserts, merely exploiting the country for its own benefit, and thereby reducing the people of India to a state of impoverishment and ruin?

Now what are the facts?

The first effect of the British occupation of India is internal peace and order—a state of things vastly different from what existed before, and vastly different from what would exist again once the British power were withdrawn. Mr. Hyndman may contend that even internecine war is preferable to the imaginary horror of starvation and impoverishment which he endeavours to depict.* But to others the mere fact that British rule means peace and contentment throughout the borders of that vast territory is a fact which is not lightly to be set aside even by those

* There was as much impoverishment and far more actual starvation before the advent of the British. Indeed, the great difference is that famines are now treated scientifically, and have lost at least some of their horrors.

who advocate a system of Colonial self-government for the country.

Then, if we turn to the moral and material welfare of the people, British rule surely stands for religious equality and toleration, a fact of no little importance in a country of so many rival races and religions. And, again, British rule admittedly means law and order, the administration of equal justice between man and man. Never before has India enjoyed so enlightened and so pure a system of judicial administration. No one would pretend that it is perfect, but it is vastly superior to anything she has known in the past. And if in the matter of education our policy has, perhaps, been at times mistaken or defective, no one can contend that the matter has been neglected.

But it is with the material progress of India that Mr. Hyndman chiefly finds fault; it is "unrestrained capitalism" that is bringing about the ruin of the country.

It is not very easy to understand Mr. Hyndman's denunciation, or to specify the exact charges which he brings against the Government of India; but, judging from his other writings, there appear to be two points on which he lays stress, and in regard to which it may be useful to make a few remarks.

The first point is that India and its people are being impoverished by an excessive land-tax. To begin with, this is a curious assertion to emanate from a Socialist, for India is one of the few countries in which the State is admitted to be entitled to a share in the produce of the soil. The theory of land tenure in India is, and always has been, that the State* is the owner of the land, and what is called the land-tax is really no more than the rent which the tenure-holder or cultivator pays to the landlord. Spoken of and regarded as a tax, it sometimes, no doubt, appears excessive; but when we bear in mind that it is the *rent*

* Baden-Powell would not agree that the State was the actual owner, or that the land revenue is either rent or tax, but practically, no doubt, the State is the ultimate owner of all land.

which the tenure-holder or cultivator pays for the use of the land, the matter assumes a totally different aspect. Whatever views may be held as to the ownership of the soil in India, there can be no doubt that by immemorial custom the Monarch, as representing the State, or, in other words, the people, is entitled to a share of all the produce, and is also entitled to sell the land if its dues are not paid, so that he is, in fact, the *ultimus hæres* of all land. That the share of the produce taken by the British Government is not only not excessive, but far less than that taken by its predecessors or in Native States has been shown over and over again,* and it is not necessary to go into the question here. It must suffice to say that the land revenue collected by the British Government has never equalled that taken by former native rulers, and that where it has not been assessed and fixed in perpetuity, it is periodically revised by a set of specially trained officers well acquainted with the conditions of the country and in sympathy with its people. "It is far better," so run the official instructions to Settlement Officers, "to under-assess than over-assess."

Mr. Hyndman's second pet grievance is based on the large amount of Indian expenditure that is incurred in England. He sees the Secretary of State drawing bills on India for endless lakhs of rupees, and he chooses to regard these remittances as so much tribute paid by India to England, and argues that England is thus draining India of its wealth for her own benefit. But Mr. Hyndman must surely be aware that these remittances are on account of just and legitimate services rendered to India, and it is not a vital matter whether those services are paid for in England or in India. The bulk of the Home expenditure represents interest payable on the millions of capital which England has lent to India, mainly for the construction of railways, canals, and other productive and beneficial works; a portion is on account of the pay or pensions of officers who are serving or have served in India; a portion represents

* *E.g.*, in Leaflet No. 8.

the value of stores purchased in England; and it may be safely affirmed, whatever Mr. Hyndman may assert to the contrary, that so far from the Home remittances being in any sense a tribute paid by India to England, there is hardly a penny remitted for which India does not get or has not got its full value.

Mr. Hyndman appears to object to the influx of capital into India; but we think that on this point he will have few followers. The influx of capital into India is yearly adding to the wealth and resources of the country; it is stimulating its productiveness and increasing its wage-fund. This latter fact cannot surely escape Mr. Hyndman's notice. If he really has the good of the natives of India at heart, he must be gratified by the labour and wages provided for them by the construction and maintenance of railways and canals, by the establishment of cotton, jute, and other factories, by the cultivation of tea, and by the various other businesses in which British capital is employed. Not only does the employment of the people in these directions diminish the number of those who are compelled to seek their livelihood from the land, but the effect of European trade and commerce has been to increase the yield and value of the agricultural produce. In 1907-1908 the value of the exports of Indian produce was £115,651,878, which represents, not a tribute paid to the ruling power, but a surplus produce not needed by the country itself, or which would not have been grown at all but for the foreign demand. These exports of surplus produce enabled the country to import goods to the value of about £91,000,000, besides £8,000,000 worth of treasure. This importation of treasure is a fact which Mr. Hyndman will do well to bear in mind. So far from India being impoverished by a continuous drain of remittances to the India Office, we have it as a fact that the country imports and absorbs treasure to the value of about £20,000,000 annually. This surely must mean that the people are advancing in prosperity, that they have more money to spend year by year and that more money is in circulation.

All these facts go to show that capitalism (if by that term Mr. Hyndman means the introduction of British capital into India), so far from threatening the ruin of the country, has contributed enormously to its development, and to the material prosperity of its peoples. We do not say that all is perfect, and that in no direction is there room for improvement and reform; but we do say that, on the whole, Great Britain has little to be ashamed of in her treatment of India in the past, and has every encouragement to persevere in her task, regardless of the sneers and vituperation of her detractors.

N.B.—In connection with the above, reference should be made to the White Paper just issued by the India Office: "Memorandum on some of the Results of Indian Administration during the past Fifty Years of British Rule in India."

December, 1909.

XII

THE NEED FOR TRUTH ABOUT INDIAN AGRICULTURE

ACCORDING TO

SIR GEORGE SYDENHAM CLARKE, G.C.M.G., G.C.I.E.,
Governor of Bombay

THE Council of the East India Association desire to draw particular attention to the following extracts from the admirable address by Sir George Sydenham Clarke, G.C.M.G., G.C.I.E., Governor of Bombay, on the state of agriculture in Bombay, at a conference held in Poona in October, 1909:

In opening the proceedings of the Conference of the Bombay Agriculture at Poona in October, 1909, His Excellency Sir George Clarke said: In India it is not easy to say anything that will not be disputed or criticized, but the two propositions which I wish to lay before you should command universal acceptance, even though their import is imperfectly recognized.

In the first place, agriculture is and must remain by far the most important of all Indian industries, and the essential basis of India's prosperity.

In the second place, Indian agriculture, allowing for climatic vagaries, is in a distinctly backward position. Production is not what it might become, and waste in many forms is rampant in many places.

The provision of an adequate food-supply is a primary condition of the existence of mankind, and the great growth of population in India which has accompanied British rule, and which is still proceeding, entails more

and more demands upon the land. I do not know whether the prevailing high prices which have been advantageous to the cultivators in many cases, but which bear hardly on the town-dwellers, are due in part at least to a growing disproportion between the population and the production of foodstuffs, or whether they arise from other and temporary causes. Investigation may throw some light on this important question, but the inexorable facts remain that 290 millions of people in India must be fed, that the food-supply will have to be increased as the years go on, and that a point may be reached at which the growth of other staples will have to be checked unless the production of the necessaries of life can be increased.

Export Trade.

This may become a problem for the whole world before another century has passed. It is doubtful whether the food-supply is keeping pace with the steady growth of population, and an unfortunate coincidence of bad crops in many localities would already create a serious shortage. Some great countries have ceased to be able to feed themselves. In the British Islands this stage was reached many years ago, and in 1907 they imported grain and flour alone to the value of nearly 75½ millions sterling, and meat costing nearly 52 millions. Germany is becoming more and more dependent upon imported food. The United States, once great exporters are dropping out of the wheat-market and may have to trust in the future to Canada where great fertile tracts have not yet felt the plough. In Eastern countries the Chinese and the Japanese, being excellent cultivators, probably extract nearly full value from their soils, and the home demands of the latter are increasing. India not only feeds herself, except in such an important item as sugar, but derives a large source of income from the produce of the land. It is supremely important that this position should be maintained, and that, while continuing to feed her people and endeavouring to

reduce the imports of staples that can be grown on her soil, she should not lose her export trade.

How important that trade is I wish to explain. You have perhaps been told that before the advent of British rule India had an immense trade which has since disappeared. I am sure you understand, however, that the trade of those halcyon days was a bagatelle in value compared with that which India now enjoys. Excluding Government stores, India exported "merchandise"* to the amount of about 115½ millions sterling in 1907-1908. This was a record year both for exports and imports, and in 1908-1909 the former fell to about 99¾ millions, owing to a deficiency of crops. Now, the point which I want you to remember is that of these 99¾ millions very nearly 73 millions were paid to India for the produce of the land. It may well be that you do not realize this important aspect of agriculture from which the Deccan does not largely profit; but it needs no imagination to grasp the fact that the realization of nearly 73 millions sterling in an indifferent year must have an immensely beneficial effect upon the economics of India as a whole. And this benefit is derived wholly from agriculture.

Encouraging Industries.

Much has been written about the need for the promotion of industries which, it has been stated, Government desires to check. I need not tell you that such statements are baseless. Government is doing all it can to encourage industries; but, if I have made my meaning clear, you will understand that a sudden expansion of manufacturing industries on a large scale would be disadvantageous. There is already shortage of labour in some localities, and the population in this Presidency is not at present capable of supplying a large additional surplus to work in factories without depleting the numbers required for the vital

* Produce and manufactures.

necessities of agriculture and for great public works. The food-supply must be maintained, and will have to be increased; the foreign trade derived from the land must not be lost. The density of population in some parts of India is greater than with us; but even in these parts, a rapid transfer of large numbers of country-dwellers to town life, such as has happened in industrialized countries, would be an evil, since the restrictions and regulations to which European town-dwellers submit would be bitterly resented by the people. In the United States the dwellers in towns numbered 3 per cent. of the population after the Civil War. Forty years later 33 per cent. were living in cities of over 8,000 people. In England and Wales the town population increased from 50 per cent. to 77 per cent. in fifty years. If changes similar to these took place in India the effects would be serious, and the factory colony outside the city, of which the Poona Paper Mills supply a good example, points to a way of avoiding the evils of overcrowding.

Meanwhile, factory industries, as a whole, continue to develop by a process of natural evolution, subject to the fluctuations which affect all countries. Cotton-mills have increased from 74 in 1883-1884 to 227 in 1907-1908, and jute-mills from 23 to 50 in the same period. Spindles have increased in far higher proportion. Statements as to the decay of trade and industry are refuted by the smallest study of the facts.

The Handloom Trade.

In India, as in all countries, the character of trade and of industries has changed; but the growth of both is remarkable, and it is steady advance, especially in the latter which affect the social life of the people that we must seek to promote. A very useful line of manufacturing progress for this Presidency at the present time is to be sought in the encouragement of hand industries, such as weaving, which would not only bring prosperity to an hereditary class, but might enable the earnings of the

cultivator to be increased. The Government recently appointed Mr. Mehta to survey the handloom industry, and from the useful report which he has prepared I gather that this branch of work is capable of development on the two conditions of improved methods and co-operative agencies. In the production of Eri silk also, which is being urged by a Government expert, there is a possible opening for easy and profitable labour for women and children.

I have endeavoured to show the vital importance of the products of the land in regard to the feeding of the people and to the export trade. If you turn to the import trade, the one great item indicating a deficiency of production is sugar, the value of the imports of which reached the record figure of $7\frac{1}{4}$ millions sterling in 1908-1909. I have no doubt that this figure can be reduced, and Government, by its great irrigation works and by giving financial assistance to sugar-cane growers, is doing all in its power to increase the production of this important food staple. Meanwhile, you, as thinking people, will readily understand that to boycott foreign sugar can only inflict hardship on the poor, and promote a particularly despicable kind of fraud. From the economic point of view, the step is useless, because the high profits of sugar-cane growing in this Presidency suffice to stimulate its development. The political object, which, as recently defined in a letter to the London *Times* by a high Indian authority, is to "draw the attention of the British public" to the partition of Bengal, is obviously futile in the case of sugar, since the total abolition of the imports would not affect that public in the slightest degree, and would fall mainly upon the Asiatic cultivators of Java and Mauritius, and in a less degree upon the beet-growers of Central Europe, and, we may add, on the people of India themselves.

Antiquated Methods.

The old saying, that the greatest of benefactors is the man who can make two blades of grass grow where one grew before, applies with peculiar force to India, and the

best service which could be rendered to the country at the present time is to increase agricultural production. For various reasons the greatest of Indian industries is backward in many respects. Methods are antiquated and inadequate even where the conditions of rainfall or of irrigation are favourable. The average wheat product of England is 32 bushels per acre. In the Bombay Presidency it is 21 bushels on irrigated and 8 bushels on unirrigated land. In parts of the Deccan weeds run riot in the fields, and the cultivator may be seen sowing his crop among them. There are even places where the land has been abandoned to weeds, which grow strongest in the best soil, and cultivation is thus driven to soil of inferior quality. Even in a year of good rainfall like the present, the aggregate production will not approach what is possible. The tillage of the land is insufficient, and the selection of seed is not understood. The uses of manure are little appreciated, and night-soil, which is a source of large profit to the Japanese, is not utilized. The breeding of stock is mainly left to chance, with the necessary result of deterioration and waste. Healthy and diseased animals intermingle with consequent, but preventable loss.

In such conditions as these the improvement of the land which has been a marked feature in Japan is necessarily absent and there is probably a growing infertility in many places. The Japanese, who rank amongst the best natural cultivators of the world, have the advantages of a good rainfall. Having been cut off from communication with the outer world for centuries, and possessing a soil naturally poor, they have been thrown on their own resources. Cattle being exceedingly few, the land must be worked by hand ; and the increasing pressure of a population, which has risen from $27\frac{1}{4}$ millions in 1828 to $47\frac{3}{4}$ millions in 1905, called forth the energies and the innate resourcefulness of the people who make the utmost out of a fertility which their own labours have created and who can afford to waste nothing. As Sir F. Nicholson

justly states in an interesting report: "Tillage and manure, strenuous spade labour and the utilization of all waste are the main secrets of Japanese husbandry." In spite of the heavy burden of taxation, which in the case of agricultural land was suddenly increased by 120 per cent. to meet the requirements of the Russian War, the Japanese cultivator holds his own. And now that the pressure of population continues to increase, while the cultivable area cannot be expanded, he is showing the wonderful adaptability of his race by quickly adopting the new methods which science can indicate.

To Help the Cultivator.

In the science of agriculture a general solution of the many problems is rarely possible. Each may require a solution depending upon local conditions, local customs and even local prejudices. The success of a process or of a plant in other countries does not guarantee success here where it may be necessary to change the process, or to produce a special plant in order to suit the conditions of climate, soil and requirement. The needs of the Deccan differ in many respects from those of Gujarat and of Sind. You will, therefore, see the importance of experiments scientifically carried out by a central body, and you may be able to give valuable assistance by communicating with the Department. I am glad to know that some of the Chiefs and Sardars in the Presidency are actively interesting themselves in the improvement of agriculture, and I am sure that they will co-operate with us for the general good.

The Main Requirements.

The main requirements are capital, labour and knowledge; but, above all, knowledge, without which capital and labour would be wasted. Only a century ago there were large tracts in the Deccan which lay waste for years as the result of the devastations of armies and of depopulation. These tracts have been brought under cultivation,

but the improving process, which in England and other countries has been brought about by a combination of labour and capital, and in Japan mainly by highly intelligent labour alone, has been absent. While, therefore, there are many good and industrious cultivators, production has been disappointing, and there has been a series of indifferent years which might have caused despair among people less sturdy and less hopeful than the Mahrattas. Losses due to bad seasons lie beyond our power to prevent. All that Government can do is to extend irrigation, and you may be sure that we shall spare no effort and no argument to obtain sanction for the great Deccan projects now being elaborated. I allude especially to the Gokak and the Nira right-bank schemes, which will command respectively 490,000 and 700,000 acres, while the latter will safeguard the most famine-stricken districts of the Deccan. If these great works did not immediately earn the prescribed rate of interest, as I believe they would, the indirect benefits would be so immense as to demand their construction. Apart, however, from the extension of large irrigation works, there is much that could be done to reduce loss in bad seasons and to insure a great increase of production when the rainfall is favourable. Our jaghirdars, inamdars, landlords and substantial cultivators will find that it will pay well to apply capital to the improvement of their lands. Levelling and bunding, the erection of "tals" (banks) to prevent wash, fencing to protect the fields from the cattle and the cattle from the fields, the digging of wells to utilize subsoil water, the harnessing of nullahs* to catch surface-water, the installation of pumping plants on river-banks—these are some of the requirements, and, if they are approached with knowledge, they will prove safe and profitable investments. Similarly, in the use of manures, in the selection of seeds, in sowing where there is now much waste, and in improved tillage there is ample scope for progress. The last annual report of the Agricultural Department points out that, if

* Watercourses.

jowári* seed is treated with sulphate of copper costing 1 anna an acre, there will often be "a profit of a hundred-fold and more." Here is a way in which the investment of capital on an insignificant scale will prove remunerative. As to investment on the larger scale, such as the purchase of iron ploughs and of pumping or cane-crushing plant, you will find some useful information in the report. Even in dry years large sources of sorely needed water are wasted for the want of power-pumps.

Practical Questions.

The practical questions which confront us are: "How can we bring the knowledge already available and certain to be increased year by year to bear upon the people, and how can the poor cultivators be helped in the matter of capital?" I earnestly hope that the members of this Conference will be able to give us valuable help and advice in solving these important questions.

We are anxious to increase the number of agricultural associations, and I am glad to note that ten such bodies were inaugurated during the past year, and that many Indian gentlemen are rendering great assistance. Each such association can be a centre from which practical information, such as is contained in the series of very useful publications edited by Dr. Mann, can be disseminated. But more is wanted, and we require the active agency of local leaders who will supply initiative in agricultural matters, and will show the people how they can improve their position. Similarly, we have an increasing number of co-operative societies by means of which, with the aid of a bank, we hope that the benefits of financial combination and of the industrial organization which has worked wonders in other countries may be made manifest. In helping such bodies as these there is a wide field of practical usefulness for the true patriots of the

* Millet.

Presidency who must realize that the uplifting of the cultivators is the greatest boon that could be conferred upon India.

Appeal to the Press.

In this connection I venture to make a strong appeal to the conductors of the Press who could do much to help the people by spreading the knowledge that Government is anxious to provide. It is sad to note that, in some quarters, vague denunciation, which cannot effect any practical good and may do some harm, seems to be mistaken for politics which have a far nobler meaning. Criticism based on facts I welcome; but, if our friends the critics would devote some of their energies to the diffusion of knowledge of which the people stand in dire need, I am inclined to think that their criticism would be more effective and that the progress of India towards nationhood would be more rapid.

December, 1909.

XIII

THE TRUTH AS TO THE EMPLOYMENT OF INDIANS IN THE SERVICE OF THEIR COUNTRY, SO FAR AS THE PUNJAB IS CONCERNED

So much is said by ill-informed critics, such as Mr. Keir Hardie and now Miss Howsin, as to the practical exclusion of "Indians" from the service of their own country that it seems desirable to publish the following extract from Sir James Wilson's paper, read on December 9, 1909, before the Royal Society of Arts, which gives a statement of the facts so far as that province is concerned.

After a few preliminary remarks, Sir James went on as follows:

I can perhaps best employ the time at my disposal by asking you to consider the most important question of all—namely, what is the present condition of the mass of the population, how far have they benefited from British rule, and how has Britain discharged her trust for the welfare of these millions of human beings? It is well to remember that all power in India is derived from the King and Parliament of this country, and that the ultimate responsibility for the good government of the Empire therefore rests mainly with the seven million voters of the United Kingdom. Officials come and go, and each in his time has great personal influence for good or ill over the people committed to his charge; but the acts of any individual official, however powerful, are of little consequence when compared with the general spirit and purpose which

pervade the system of administration, and with the broad results of that system on the welfare of the people as a whole.

The Government.

The aim of the British Government in the Punjab, as in the rest of India, has always been to maintain order, to repress violence and fraud, to render person and property secure, to do justice to all, to aid the poor, the weak and the unfortunate, and to confirm to every man his individual liberty of action with as few restrictions as possible, and the laws have been carefully framed with this object in the light of past experience. The officials, both European and Indian, who are immediately responsible for the administration of these laws are animated by a similar spirit. It is often not fully realized how many of them are Indians, and how large a proportion of the powers and duties of governing have been entrusted to men drawn from the people of the province itself. When I first entered the service, thirty-four years ago (more than half-way back to annexation), the number of men exercising judicial powers, as magistrates or judges, was under 500, and of those only 320 were Indians, and no Indian held a higher post than that of assistant to a deputy-commissioner or district judge. Now there are about 1,000 men invested with criminal, civil, and administrative powers, and of these about 800 are Indians, 260 of them being non-official honorary magistrates; and all the subordinate officials, including, for instance, all but 100 of the 20,000 police, practically the whole of the numerous clerks, and all the 8,000 village accountants, are Indians. Of the 29 officials holding the position of district judge 22 are Indians; of the 250 assistants at headquarters of districts 150 are Indians; there are four Indian deputy-commissioners, or settlement officers, two Indian divisional judges, and generally two Indian Judges of the Chief Court, the highest court of criminal and civil jurisdiction; and four of the nine members who have hitherto composed the

Legislative Council of the province have usually been Indians. So, too, in the specialized branches, such as the Public Works, Medical, Educational, and Forest Departments, which now exercise many of the functions of governing, while the control and supervision are mainly in the hands of European officials, and the spirit and character of the administration are distinctly British, almost all the subordinate officials are everywhere Indians. In all departments the continuous tendency has for many years been to entrust more and more authority to natives of the province, carefully selected, thoroughly trained under European supervision and proved by experience to be fit to exercise power under the State without danger to the interests of the masses of the people. I am glad to be able to testify that, although there is still much room for improvement, there has, within my own recollection, been a steady and marked advance in the character of the general body of native officials. There is not only a great improvement in their intellectual attainments, but a much smaller proportion of them are open to corruption or swayed by party prejudice or given to abusing their authority, and their general trustworthiness is much higher than it used to be. This is especially the case with the few who have attained to the higher posts, some of whom have reached the European standard of rectitude, impartiality, and efficiency. But I think the best of them would admit that they would find it difficult to maintain that standard were it not for the backing they receive from their European fellows, and the influence of the general tone of the service to which they are proud to belong. The broad result of all this careful selection and training is that we have provided the people of the Punjab with a large number of trustworthy and efficient servants of the State, mainly taken from among themselves, far more honest, impartial, and at the same time sympathetic than ever ruled over them before; men whose motto may be put as: "Do justice, succour the distressed." Seldom has

such far-reaching power been wielded by a body of officials with a stronger sense of public duty—a combination which guarantees a high measure of security to all, and ready aid to any class of the community which stands in need of it. Whenever any serious trouble arises in any part of the Province, such as crime, disease, drought, earthquake, flood, or even a destructive hailstorm, some official hastens to the spot, brings help to the distressed people, and sets in motion the State's machinery to remedy the evil.

From the first it has been the policy of the British Government to encourage the growth of public spirit and enlist the services of the leaders of the people by establishing district boards and municipal committees, which correspond to the county councils and town councils in this country. Each of the twenty-nine districts has its district board presided over by the Deputy-Commissioner who is also magistrate and collector of the district, and some subdivisions of districts have subordinate local boards. Altogether the number of members is 1,500, of whom 600 are elected. They are responsible for most of the roads, bridges, schools, hospitals, and other local matters in the rural parts of the province, and the money placed at their disposal for these purposes has steadily risen, not so much by increase of taxation as by increase of the amount allotted to them by the central Government. It is now about £325,000 a year. Where the members are elected it is seldom that much interest is taken in the election, and at the meetings of the boards there is rarely any voting on disputed questions, as the members prefer to trust to the superior knowledge and impartiality of their official chairman and readily adopt his suggestions. There is somewhat more animation in the proceedings of the municipal committees which manage the affairs of two million people in 137 towns, and comprise nearly 1,500 members, of whom 1,178 are non-officials. Their total expenditure is nearly £400,000 per annum, and the progress made in the towns in education, sanitation, medical

relief, and public improvements generally is, on the whole, satisfactory, though still far behind a European standard.

In the villages a large amount of local administration is done by the hereditary headman and by the leading landowners who have been placed in charge of groups of villages, and form a valuable link between the Deputy-Commissioner and the people. Many of the principal landowners, as well as of the leading townsmen, have been invested with powers as honorary magistrates and do good service in aiding the official magistrates to administer the law. There is thus a large number of private individuals who take part in local affairs, and through whom the officials, on whom the chief responsibility rests, keep in touch with the bulk of the population. Although there are exceptions, these non-official authorities of all grades, and especially the heads of old families, who exercise great influence, owing to the extent of their estates, their wealth, their character, or the traditional respect they command among their dependents and neighbours, are a great support to the Government whose projects for the benefit of the people they, as a rule, loyally endeavour to carry out.

It may interest you if I briefly summarize the changes made in the constitution of the Legislative Council of the province. Hitherto, excluding the Lieutenant-Governor, who presides at all Council meetings, there have been nine members, of whom five have usually been non-officials. All the members were nominated by the Lieutenant-Governor. Now the recent Act fixes the maximum number of members at thirty, but for the present the usual number will be twenty-four, though the Lieutenant-Governor has power to appoint not more than two additional members as experts on any question before the Council. Of these twenty-four members not more than ten can be officials, so that the non-officials will ordinarily have a majority of at least four. For the present only five of the twenty-four will be elected; but as soon as a proper electorate can be found, the principle of election will be

extended to the representation of the landholders and of the Muhammadan community. Meanwhile, the remaining nineteen members will be nominated by the Lieutenant-Governor. The five members to be elected at present will be elected—one by the University of the Punjab, one by the Punjab Chamber of Commerce, and three by the municipal and cantonment committees of the large towns. The University member will be elected by the members of the Senate and the Honorary Fellows, and must himself belong to one of these two bodies. The Commerce member will be elected by the Punjab Chamber of Commerce, and must himself be a member of that body. The three municipal members will be elected by those members of certain important municipal and cantonment committees who have not been appointed *ex-officio*. For this purpose three groups of committees have been formed, each of which will elect a member. The Cis-Sutlej group is made up of the municipal and cantonment committees of Delhi, Simla, Umbala, Ludhiana, and Ferozepore. The central group consists of the committees of Lahore, Amritsar, and Jalandar; and the western group of those of Multan, Rawal-pindi, and Sialkote. A candidate for one of these municipal seats must have a place of residence in the group and must be, or have served for three years as, a member of the municipal committee belonging to that group. It will thus be seen that in no case will the number of electors be large, and that the important principle has been laid down that in each case the elected member must be a true representative of the body he represents.

The financial statement will be examined by a committee of the Council, consisting of twelve members, of whom six will be nominated by the Lieutenant-Governor, and six elected by the non-official members. Members will also have the power of putting questions and moving resolutions, subject to certain restrictions and the control of the president. It is to be hoped that these new powers will be

used with discretion, and not employed as a means of wasting time or worrying the responsible authorities.

If I may express an opinion, I think that this enlargement of the numbers and powers of the Legislative Council will ultimately work out for the good of the province. It will no doubt have its dangers and drawbacks which will require to be guarded against. It will tend to keep the higher officials more closely to headquarters, and so less in touch with the people ; it will necessitate their giving more time to talk and less to thinking and to action, and so tend to lessen efficiency, or lead to a costly increase in their number. It may tend to weaken the authority of the local officials of all departments, and especially of the Indian officials, which would be disastrous to the interests of peace, order and security, and especially of the poorer classes. But it will have the great advantages of bringing the leaders of the people into closer relationship with the officials of the Government, of giving them some share of the responsibilities of governing, and of opening a way for the ambitious among them to render important service to the State and to their fellow-countrymen outside the ranks of the paid officials. The system will for some time be on its trial, and it remains to be seen whether the men selected will rise to the occasion and prove that they are fitted to discharge their new duties. I have great faith in the general common sense and good intentions of the large majority of Punjabis of all classes, and trust that, after the first excitement has died down, it will be found that the new members of the Council are imbued with a spirit of public duty and a desire to advance the common weal, and are therefore real "pillars" of the State. But the true representatives of the masses of the people, and especially of the peasant proprietors, the tenants and the labourers, must for many years to come be the officials, both European and Indian, whose main duty, after the maintenance of law, order and justice, is to "cherish the poor."

February, 1910.

XIV

CO-OPERATIVE BANKS

AN OBJECT-LESSON FROM INDIA

THE Council of the East India Association desire to call particular attention to the following very interesting account of co-operative banking in India, taken from a recent issue of the *Morning Post*:

The emphasis laid by Mr. Balfour recently on a constructive agricultural policy, combined with co-operative credit and organization, is likely to bring to the front the great and hopeful problem of the application of co-operative effort in British agriculture. Co-operation more than anything else is responsible for the strong position of our greatest rival on its agricultural side. It was in Germany that the Raffeisen Banks began, and they now spread like a system of life-giving arteries over rural Germany. In Italy an imitation of the German system has enabled the peasant to support the occasionally extravagant ambitions of his Government. Denmark is one vast agricultural co-operative society, and is in consequence able to force Danish eggs and butter upon the British breakfast-table. Agriculture in Holland is largely co-operative. The movement has made of recent years considerable progress in Ireland. Owing to her magnificent system of joint-stock banks Scotland has not so much felt the need of co-operative credit; but in England credit is absolutely essential if the small holding is to have any real chance, and co-operation is the way to get it. It is commonly said that the English farmer is too conservative a person to adopt such new methods.

It will be helpful, therefore, in dealing with this argument, to show how a far more conservative person than the Englishman has eagerly welcomed the co-operative system. It may not be known, but it is nevertheless a fact, that, owing to the efforts of the Indian Government, co-operative village banks have spread with extraordinary rapidity over India in the last few years, and in many districts have actually lowered the rate of interest on agricultural loans.

The Indian Cultivator and the Usurer.

For generations the Indian peasantry have been in the grip of the money-lender. Before the days of British rule the evil was probably not so great, for in those times every village was almost a republic, and no doubt took the law into its own hands when the money-lender became too much of a tyrant. Moreover, as taxes were usually paid in kind, the need for ready money was not then so great. The British Government, however, with its enormous benefits of peace, law, and order, introduced also the monetary system and protected the money-lender from the violence of the infuriated villagers. The Indian peasant is an excellent cultivator, but he has never understood money and the allied problems of credit. He has, therefore, got himself into the grip of the usurer. To get money he pledged his crops, and when his crops were not enough he pledged his land. The usurer made money at both ends. He bought the wheat in the ear when it was cheapest, disposed of it when it was dearest, and sold part of it back again to the peasant as seed-grain. He charged interest which sometimes rose to 100 per cent., and he even, when he found it was safe, began to foreclose and take possession of the land. The peasant thus often became a mere tenant living from hand to mouth, with no reserve, either of grain or money, to ward off famine.

The Indian Government has passed law after law to stop these evils, but it has found by bitter experience that it can

neither prevent the indebtedness of the peasant nor the alienation of land. *Takávi*, or a Government system of loans, was devised as a cure; but, though they have been available for thirty years or so, the peasantry have not yet got over their distrust of a system which, in their eyes, only places them in the hands of new money-lenders, the native subordinates in the Government service. They may be driven to *Takávi* by famine, but it is doubtful if the system will ever be popular, and, indeed, universal indebtedness to the Government would have evils almost as great as universal debt to the money-lender. When Lord Cromer, then Major Baring, was in India as Financial Secretary, he took a deep interest in an attempt to found a private bank on philanthropic lines. Sir William Wedderburn and others worked hard for this scheme, and the Government of India decided to liquidate debts over an experimental area so as to give the bank a fair start, while it was to have special advantages in the way of remission of stamp-duty and recovery through Revenue officers. The Secretary of State refused to sanction this scheme. Laws have also been passed from time to time to stop land-alienation, but such legislation is obviously retrograde. It keeps the cultivator a child in economic matters, and, moreover, it is often impossible to prevent evasion.

Encouragement of Co-operative Credit.

All these schemes failing, then, the Indian Government was almost forced to the alternative of encouraging co-operative credit among the people themselves. As early as 1892 the Madras Government appointed Mr. Nicholson (now Sir F. A. Nicholson) to report on the question, and his report was encyclopædic and extremely useful in the way of attracting attention to the co-operative banking systems of Europe. In the Punjab two Civil Servants, Mr. Maclagan and Captain J. G. Crosthwaite, started a little grain bank. The members deposited the grain at

harvest-time ; it was sold when prices rose, and the money was lent to members at low rates. It was, however, in the United Provinces that the master mind arose that solved the problem. Here Mr. H. Dupernex, a Civil Servant with a strong bent for finance, wrote an admirable little book, in which he showed how the German co-operative systems might be adapted to Indian needs. He pointed out that the Indian village has been from time immemorial a co-operative society. The co-sharers, where this system exists, own the land in common, and are accustomed to be jointly responsible for revenue. The affairs of the village are managed by the village council, and, though the British Government have too often followed a policy of encouraging individualism, this ancient communism is still strong. Upon this village system Mr. Dupernex suggested that the Government should graft the Raffeisen Banks of Germany. These banks, it need hardly be explained, are close societies of villagers who pool their entire credit, and thereby obtain cheap money from outside which they lend only to members at a slightly higher rate of interest than they pay. As the loans are only made for reproductive purposes, and are amply safeguarded in a number of ways, there is hardly ever, out of the thousands of such banks in Europe, a case of failure, and by these means the German peasant has been delivered out of the hands of the money-lender and turned into a thriving farmer. Mr. Dupernex also suggested that, to finance these small banks, town banks on another German co-operative system might be started, and to these the village banks might be linked, thus forming circles through which money would pass from town to country and from country to town. Sir Antony MacDonnell gave Mr. Dupernex the task of starting the system in the North-West Provinces, as they then were, and soon Mr. Dupernex had several little banks running merrily. They worked much in the normal German fashion, the members doing their own business, which was very simple, in a perfectly efficient way. Moreover, they soon began to show their

trust in the system by depositing their savings with the bank. Thus success on a small scale was proved, and Lord Curzon, who was then Viceroy, presided over the passing of an Act which legalized the system.

The Movement Spreading Rapidly.

This was the beginning, and it was only eight years ago. Now the movement is spread over India, and is still spreading with wonderful rapidity. In 1908 there were no fewer than 1,201 village banks, with a membership of 93,200, and 149 urban banks on co-operative lines, with 55,500 members. The grand total of their working capital amounted to 44 lakhs of rupees, or well over a quarter of a million sterling. The rate of progress may be estimated by the fact that in 1907 there were only 89 town and 740 village banks, with 23 lakhs of capital. How far the movement is from being merely a Government enterprise will be seen from the fact that of the 44 lakhs, only 6½ represent State aid of any kind, over 9 lakhs consist of share capital held by the members themselves, and 18 lakhs are composed of ordinary business or private loans. In twelve months the members deposited 4 lakhs, and the total deposits of members held by the banks amounted, in 1908, to over 9 lakhs, while the reserve funds were estimated at 78,000 odd rupees. The principal function of the Government was to get people interested in the movement at the beginning, and to give them afterwards the benefit of free Government auditing. The provisional figures for 1909 have just come to hand by the Indian mail, and show even more amazing progress. The total number of co-operative banks, urban and rural, is 2,008—that is, an increase of 658 over last year—and the number of members has increased from 149,160 to 184,897. The working capital has nearly doubled, standing now at 81 lakhs of rupees. A very satisfactory feature in the figures for 1909 is that State aid in the way of working capital has increased by only a few thousand rupees (from Rs. 6,51,816 to

Rs. 6,86,143), while loans from private persons more than doubled, rising from 12½ to 25 lakhs. This shows that the banks have established themselves in business confidence, and are able to raise their money in the open market.

Capital and Loyalty.

When we remember how conservative and distrustful the Indian peasant is, and how, since the beginning of time, he has been accustomed to no other system of banking than an earthenware pot buried under the floor, or silver bangles on the ankles of his women-folk, we are able to estimate the amazing nature of this revolution. It is plain that where these societies exist money is no longer buried or melted down, but is used, in the way capital should be used, as the seed-grain of a future financial harvest. Who can estimate the amount of hoarded wealth in India, or the benefit which will accrue to the people when this treasure is dug up and used for the benefit of agriculture and industry? If the movement goes on at the present rate, the prospect is almost staggering in its possibilities. We shall have an organization spread over India whose members and capital will alike be numbered in millions. It will be the finest weapon ever forged to fight famine and the agitator. Fears have, indeed, been expressed that these organizations may get into the hands of the disloyal, but the sounder view is that there is no better way of making a man loyal than to make him a capitalist, since the conservative forces in society are always those which have something to lose.

I. D. C.

March, 1910.

XV

THE WONDERS OF IRRIGATION IN THE PUNJAB

(The Council of the East India Association think it desirable to call particular attention to the really wonderful story of irrigation in the Punjab, as recently told by Sir James Wilson to the Royal Society of Arts.)

In a country like the Punjab, where the air is usually very dry, and the temperature, though moderate in winter, goes up in summer to over 115° in the shade, the farmer's chief difficulty is to get sufficient moisture for the germination and maturing of his crops; and where they are dependent only on the rainfall his vicissitudes are much greater than those experienced in more temperate climes; for the rainfall is very variable both in amount and distribution. In all years the outturn varies greatly, however careful and industrious the farmer may be; and in a year of widespread drought miles upon miles of fields ordinarily covered with flourishing crops produce nothing, or next to nothing, and whole tracts of country are plunged into dire distress, sometimes verging on famine. Although last year was a fairly good year, it was reported that altogether 5,000,000 acres, or one-sixth of the area sown, had failed to produce a fair crop. The best safeguard the peasant can have against the effects of drought is the provision of means of irrigation for his fields, and the two chief sources of irrigation are wells, which enable him to draw water from the underground supply, and canals which bring the water of the rivers on to the thirsty ground.

Wells have been largely used from time immemorial, but their number has largely increased since annexation, and there are now nearly 300,000 wells in use for purposes of irrigation, representing an expenditure by the landowners themselves of over £5,000,000 sterling. In the dry year, 1907-08, 4,000,000 acres of crops were irrigated from wells.

The development of canals has been still more wonderful, thanks to our engineers who have erected strong masonry weirs right across the beds of the mighty rivers which bring the melted snows down from the Himalaya mountains and flow across the plain on their way to join the Indus and the sea; so that they can divert any portion of their floods at will into great canals and convey the water on to the level country lower down where it is distributed by an elaborate network of channels to every field as required. The total length of main canal exceeds 2,600 miles, and the length of distributing channels is over 9,000 miles; and in the year 1907-08, when the unprotected crops were withering from want of rain, the canals of the Province irrigated no less than 6,000,000 acres, and enabled the cultivators to reap a satisfactory harvest over this area. Such large irrigation-works are not made for nothing. The eleven most important canals cost the State £9,000,000 sterling to make. Their gross revenue—that is, the money charged the cultivators as the price of the precious water, amounted in 1907-08 to £1,350,000, and the net revenue, after defraying all annual charges except interest, amounted to £870,000, or 10 per cent. on the capital cost; and, as the State borrowed the money at an average of about $3\frac{1}{2}$ per cent., these canals have proved a very profitable investment for the Indian general taxpayer, as well as an immense benefit to the thousands of peasants whose crops they have rendered secure. The engineers have not yet nearly come to an end of their beneficent schemes. They are now constructing a set of three canals, which will draw water from the Jhelam and Chenab Rivers, and take it across the valley

of the Ravi to irrigate hundreds of thousands of acres now lying waste. This scheme will cost some £5,000,000 sterling, and will probably ultimately pay the State 10 per cent. on its capital cost, besides adding enormously to the produce of the Province and the prosperity of the agricultural population.

The area under cultivation increased very rapidly immediately after annexation, when war and anarchy were succeeded by profound peace, and the soldiers beat their spears into pruning-hooks, or at least gave up the sword for the plough. Forty years ago the area under tillage was less than 20,000,000 acres, and of this only about 7,000,000 were protected by irrigation. Now the area under tillage is 28,000,000 acres, and of this area 12,000,000 acres are protected by irrigation from canals and wells, so that the crops are not only rendered much more secure against drought, but the produce has been immensely increased, both by the breaking up of 8,000,000 acres of land formerly waste, and by the irrigating of 5,000,000 acres of land formerly unprotected; for the produce of an irrigated area is on the average double that of an unirrigated area. There has also been a marked improvement in the methods of cultivation, and the gross agricultural produce of the Punjab must altogether be at least 50 per cent. more than it was forty years ago, and double what it was at annexation; and owing to the great extension of irrigation it is much more secure than it was, and varies less from year to year, although numerous peasants, and especially those whose holdings are out of reach of irrigation, are still liable to great vicissitudes of season.

The principal crops grown are wheat, millets, pulses, cotton, maize, barley, oil-seeds, sugar-cane and rice, and of these much the most important is wheat, which covers 8,000,000 of the 29,000,000 acres sown. About half the wheat is irrigated, but most of it is grown without manure. There are many fields which produce their 30 or 40 bushels

per acre, but very large areas give a very poor outturn, and the average production of wheat for the Province is only 13 bushels per acre, whereas in the United States of America the average is 16 bushels, in France 20 bushels, in Canada 22 bushels, and in Great Britain, with its well-manured land, about 32 bushels per acre. There is twice as much wheat annually grown in the Punjab as there is in the United Kingdom.

When people in the Punjab present an address of welcome to a high official or deliver a speech on the blessings of British rule (which they take every opportunity to do), they usually begin by praising the impartial administration of justice and the arrangements made for the maintenance of order, which, as they put it, enable the goat to drink without fear at the same watering-place as the tiger, and go on to express admiration and gratitude for the vast improvement in the means of communication, railways, roads, post-offices and telegraphs. Of all these, the one that comes most home to the villager is the post-office, the development of which has been extraordinary and its management most progressive and successful. Every villager in the Punjab now finds a post-office within comparatively easy reach, from which he can, with perfect confidence, send a letter for ½d., or a post-card for ¼d., nearly 2,000 miles across the length and breadth of India, and from which he can get money sent him, at a small charge, by relations or friends either in India itself or from the farthest ends of the earth. You can understand what a convenience and what an education the post-office is to the villager who can recollect the time when it was hardly possible for him to send or receive a letter or a money-order. Similarly the telegraph system has in recent years been rapidly extended, and there is now hardly a town of any importance that is not connected by telegraph with the rest of the world. Sixty years ago there were no railways in the Punjab and no good roads. Traffic had often to find its way across the fields, through deep mud or soft dust, as

best it could. The first railway was commenced just fifty years ago, and now the great North-Western Railway system, constructed and managed by the State, extends its branches all over the Province, and, along with several smaller railways owned by private companies, collects the surplus produce for conveyance down the Indus to Karachi for export to Europe, or south-eastwards towards Calcutta and Bombay, and brings in from outside the Province articles required for consumption. This North-Western Railway, which partly lies in the adjoining Province of Sind, cost the State £40,000,000 sterling, and its gross earnings last year were £4,250,000. It carried 40,000,000 passengers, and 8,500,000 tons weight of goods. It took third-class passengers five miles for a penny, and ordinary goods at a rate below a halfpenny per ton per mile. Good roads are maintained by the Government between all the principal towns, and the roads leading to villages have been much improved. Trade has thus been greatly facilitated even in the farthest corners of the Province, and has increased enormously in bulk and value. On the average of the three years ending 1907 the annual exports from the Punjab amounted to 40,000,000 cwt., valued at £15,000,000, and the imports to 25,000,000 cwt., of about the same value. The exports are chiefly wheat, oilseed, cotton and other agricultural produce, and the imports cotton piece-goods, sugar and metals. Besides these goods, there was a net import of treasure, principally silver coin and bullion, of the value of £6,000,000 sterling in the three years during which the people of the Punjab must have added that amount of gold and silver to their hoards and ornaments.

This great improvement of communications, which is still steadily proceeding year by year, has not only contributed immensely to the general convenience of the Punjab villagers all over the Province, but has tended to equalize prices by facilitating the flow of all commodities from where they are plentiful and cheap to where they are

scarce and dear, to make imported articles cheaper and to enable the villager to get a better price for his surplus produce—and this tendency has been even more marked in the outlying villages than in the towns. Forty or fifty years ago, when authentic news was difficult to get, and the carriage of bulky goods was very costly, it was not uncommon to find grain selling in one part of the country, where the harvests had been good, at half the price that would willingly be paid for it two or three hundred miles away, where there had been a drought, the crops had failed and the people were starving. Now news of any important change of prices is at once sent over the country by telegram or letter, produce is rapidly bought up where it is plentiful, and sent by railway to places where it is scarce, and prices at both places soon attain a position of equilibrium, with a difference between them little greater than the cost of carrying. The working of this system, and especially of the railways, is invaluable for the prevention of famine conditions. An instance of this occurred in 1908, when there was a very severe and widespread failure of the crops owing to drought in the United Provinces, while at the same time there had been a fair crop in the canal-irrigated fields of the Punjab proper. At once traders set to work to bring about an equilibrium of prices. The surplus of the Punjab, instead of, as usual, finding its way through Karachi to Europe, was immediately diverted to the United Provinces, and poured into every railway station in the distressed tract, keeping down prices there and staving off famine conditions. Had it not been for the railways it would have been impossible to get enough food into the famine-stricken area in time to save the people, prices would have gone up enormously, and thousands would probably have died of starvation. Meanwhile, the peasants on the Punjab canals would have found it impossible to sell their surplus grain except at excessively low prices.

In ordinary years there is a steady stream of produce

down the Indus Valley to Karachi, and from there by sea to other countries; and prices in almost every village in the Punjab are determined from day to day, not only by the condition of the crops and the local demand, but by the course of prices in the great markets of the world. Several large exporting firms have agents in all the large towns of the Punjab, who are in constant telegraphic communication with their principals, and through them with Europe and America. If prices of agricultural produce go up in London, Liverpool or Chicago, these agents within a few hours receive instructions to offer better prices in the Punjab markets for export, the price in the market goes up at once in response, and the news soon spreads to the smaller towns and villages and causes a corresponding rise of prices there. A striking instance of this was seen during the attempted corner in wheat in Chicago some years ago. There was nothing in India itself to cause any marked change in prices. But as day after day the price of wheat rose in Chicago, it went on rising in every Punjab town and village until it reached something like famine rates; then, when the Chicago corner collapsed, down went prices all over the Punjab, and reached their former level in a few days. For some weeks every working man in the Punjab paid much more than usual for his daily food, for no other reason than that a corn-dealer in Chicago thought he saw a chance of making a colossal fortune!

In consequence of this improvement of communications, the price of agricultural produce in the villages has not only become more equable and more stable, but has risen in a marked degree. In the great Amritsar market it is now on the average 40 per cent. higher than it was thirty-five years ago, and the rise is higher still in the distant villages, which were formerly out of reach of a railway. As at the same time the cost of imported articles has fallen, owing to the cheapening of the means of transport, it may safely be said that in the average Punjab village the produce of an

average acre of land will now fetch quite double the amount of such things as cotton-cloth, metals, mineral oil, or imported articles of use or ornament that it did thirty or forty years ago. Salt, too, one of the daily articles of consumption, has greatly fallen in price owing to reduction of taxation, and the average Punjab villager can now buy three pounds weight for a penny which would only have purchased half that amount ten years ago.

April, 1910

XVI

THE BURDEN OF THE HOME CHARGES

If Mr. A. J. Wilson and Mr. Hyndman are even approximately right, all our talk about the "drain" of wealth from India to England is "as sounding brass or a tinkling cymbal," and it is necessary to go much more deeply into the subject than we attempted in Leaflet No. 1. The questions at issue now seem to be the comparative cost of the Indian Government, taken as a whole, and the value of the expenditure that has been incurred in what is generally called the development of the country by railways, etc., but which Messrs. Hyndman and Wilson seem inclined to stigmatize an "exploitation" for the selfish interests of English men of business—and this last idea raises the whole question of the condition of the Indian people—so that we have to consider whether it is slowly improving, as officials generally and almost every European who has resided in the country think it has,* or whether it is still on the road to bankruptcy, as Mr. Hyndman has been saying for the last thirty or forty years, and as Mr. Wilson also seems to think.

To take the easiest question first, the actual amount raised by taxation proper in British India was in 1907-08 £47,556,832 on a population of 232,072,832, or about 4s. a head, and this includes the rent paid to the superior landlord of all the agricultural land in the country (the State), which may be put roughly at £20,000,000 sterling, or, say, 1s. 8d. an acre of actual crop. Leaving out the land tax, which, at any rate, includes the rent, the only unavoidable

* See Leaflet No. 11.

taxes are the income tax,* which affects a very limited number, and that on salt which now brings in £3,338,988, or not quite 4d. a head of the population; and even for this small sum they are guaranteed a fairly plentiful supply of wholesome salt, instead of the dirty and pernicious stuff so commonly eaten in places where the price of good salt used to be almost prohibitory. Surely, therefore, the cost of the Government of India cannot be considered excessive in comparison with that of other countries.

Taking the figures in gross, however, as it would not be easy to go into the same detail for other countries, we have the following results for some of the poorest countries and some of the wealthier:

	Area.	Population.	Revenue.	Per Head. s. d.
India	1,110,000	232,000,000	73,000,000†	6 4
Austria	187,000	27,000,000	72,000,000	53 4
Egypt	400,000	10,000,000	14,000,000	28 0
France	207,220	39,000,000	145,000,000	74 4
Germany	—	56,500,000‡	288,000,000	100 2
Great Britain and Ireland	121,000	43,200,000	145,000,000	67 1
Hungary	125,500	20,000,000	44,000,000	44 0
Italy	111,000	33,000,000	73,000,000	44 2
Japan	162,000	45,000,000	30,000,000	13 4
Russia	8,400,000	130,000,000§	210,000,000	32 4
Spain	196,000	20,000,000	30,700,000	33 2
United States of America ...	3,622,000	84,000,000	145,000,000	54 7

It will be seen that the cost per head in India is less than half what it is in Japan, which again is less than half of the cost of Egypt. All the European Governments are much more costly, even Russia costing 4s. a head more than Egypt on the figures available.

Now, as to the much-vexed question of the condition

* The whole of the commercial and trading classes pay about a million sterling, or only about four times as much as is contributed by the officials of the Government.

† Not 85,000,000, as in Whitaker.

‡ There must be something wrong about this figure, and

§ certainly about this. In fact, all the figures on this page of Whitaker are evidently inaccurate, as no change has been made in them for two years at least; but for comparative purposes they may serve for want of better.

of the people of India, no one would pretend that the poorest of them are prosperous, but are they so in any country? The only question of really practical importance is whether their condition is improving or not, and without going further we might ask Messrs. Hyndman and Wilson to explain how it happens that the average consumption of sugar is so extraordinarily high in India as compared with many other countries. Surely people who are steadily getting poorer and poorer would not persistently increase their consumption of what is scarcely a necessary of life (even if it is not actually a luxury). They would rather be reducing their consumption of necessaries.

The following are the figures showing the comparative consumption of sugar per head in some of the chief countries of the world.

Estimated consumption of sugar per head of population in the undermentioned countries in 1906:

	lbs.
Australia	129·00
United States of America	84·85
United Kingdom	81·19
Canada	75·03
Switzerland	from 60 to 70
Denmark	from 50 to 60
India (according to Mr. Shakespeare, of Cawnpore*) about 37·00; but, according to the most recent very cautious estimate of the Commercial Department of the Government of India, ...	at least 44·00
Germany	36·50
France	32·01
Holland	30·91
Belgium ... ...,	24·15
Austria-Hungary	22·00
Italy...	about 7·00

These figures, except those for Switzerland, Denmark, Italy and India, are taken from a return presented to the House of Commons in 1907 (dated August 23).

Has it ever occurred to our critics that the people of India spend on sugar much more than twice as much as

* Quoted in the *Hindoo Patriot* of January 11, 1910.

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they spend in paying the land revenue, and are actually extravagant enough to import 500,000 tons a year, valued at about £7,000,000. That imported stuff alone provides them with 4 pounds a head, or nearly two-thirds of the whole consumption per head in Italy, where the price is still between 6d. and 7d. a pound, and therefore prohibitory. In India the price seems to average less than 1d. a pound, whilst Mauritius sugar is now down to 1¼d.

Now, the consumption of sugar is generally admitted to be one proof of the prosperity of a country, though not, of course, a conclusive proof, because circumstances differ; but the figures for Italy strangely corroborate the conclusion arrived at by Subadar Mahomed Beg ("My Jubilee Visit to London")—that he had "never in his life" (in India) "seen such poverty-stricken people as the inhabitants of Brindisi." And yet he had lived all his life in the typical famine district of Bellary.

In December last this question of the "drain" and the condition of the people of India was discussed at some length in that very reasonable journal the *Indian Spectator*, and it seems worth while to embody that discussion in this paper. It began with a letter from a correspondent, who is vouched for by the editor as a "Hindoo gentleman of position," which runs as follows:

"Sir,—In his defence in the Police Court in London, Dhingra pleaded as follows:

> "'I hold that the English people are responsible for the murder of 80 millions of Indian people in the last fifty years, and they are also responsible for taking away £100,000,000 every year from India.'—The *Times of India* of July 31, 1909.

"1. This is the well-known theory of the 'drain' in Dhingra's language. The theory itself owes its origin and propagation to others. A popular Maratha journal, in its issue of December 18, 1906, admitted that at its commencement British rule was welcomed in the Deccan as the reign of righteousness, and then proceeded to state that one

particular idol of the people has since established beyond question that the country was being steadily drained of its life-blood under British rule. Some writers and speakers have declared that* the rule is responsible for recurring and more and more devastating famines, and also for the plague. As this theory is now being translated into acts, it becomes necessary to try and find out whether it has any basis in fact.

"2. The following table shows the revenues of the Kathiawar States of the first four classes in the year 1807-08, 1885 and 1896:

Serial No.	Name of the State.	1807-08.	1885.	1896.
	FIRST CLASS.			
1	Junagadh	5,50,000	27,00,000	24,00,000
2	Nawanagar ...	12,00,000	24,00,000	27,60,000
3	Bhavnagar ...	7,00,000	26,00,000	38,37,000
4	Porbunder ...	1,40,000	4,00,000	5,50,000
5	Dhrangadra ...	1,75,000	5,00,000	6,50,000
6	Morbi	2,50,000	8,00,000	11,15,000
7	Gondal	4,00,000	14,00,000	11,00,000
8	Jafrabad	—	45,000	64,481
	SECOND CLASS.			
9	Wankaner	85,000	20,00,000	2,60,000
10	Palitana	35,000	5,00,000	4,75,000
11	Dhrol	25,000	1,40,000	1,67,000
12	Limbi	2,50,000	2,57,000	2,80,380
13	Rajkot	90,000	2,00,000	3,36,000
14	Wadwhan	1,25,000	4,00,000	4,00,000
	THIRD CLASS.			
15	Lakhtar	25,000	75,000	75,000
16	Sayala	50,000	65,000	65,000
17	Chuda	20,000	1,40,000	67,000
18	Vala	22,000	1,50,000	1,50,000
19	Jasdan	24,000	1,00,000	1,20,000
20	Bantwa	50,000	4,00,000	5,00,000
	FOURTH CLASS.			
21	Lathi	8,000	1,00,000	1,18,000
22	Muli	40,000	1,00,000	1,00,000
23	Bajana	30,000	1,00,000	1,00,000
24	Virpur	„	39,000	41,600
25	Malia	40,000	60,000	1,12,000
26	Kotda Sangani ...	30,000	1,00,000	1,19,500
27	Jetpur	65,000	8,80,000	8,78,900
28	Patdi	40,000	5,235	13,000

* *I.e.*, the Indian Government.

"The figures for 1807-08 are taken from a table annexed to Colonel Walter's report dated May 15, 1808 (selections from the Records of the Bombay Government, No. 37, pp. 198-200, edition of 1893). It was Colonel Walker who, in co-operation with Vithalrai Dewaji, Diwan of Baroda, settled the tribute of Kathiawar in 1807-08. In paragraph 158 of the report, he says that he had the assistance of experienced residents of Kathiawar in preparing his table. It may therefore be taken to be fairly accurate. The figures for 1885 and 1896 are taken from the Kathiawar Local Directory.

"3. A comparison in the figures for 1807-08 with those for 1885 and 1896 shows a great increase in revenue. If the country has been getting poorer under British rule, how is this increase to be accounted for?*

"4. Roughly, about one-half of the revenue is collected in kind, and it might therefore be suggested that the increase is due to a rise in the price of produce. But this suggestion is not borne out by the facts. At pp. 217-18 of the *Bombay Gazetteer*, vol. viii., there is a table of prices from 1783 to 1882. In this we find the prices of the staple grains in 1807, 1809, 1881, and 1882, as follows:

KATHIAWAR GRAIN PRICES, POUNDS PER RUPEE.

	1807.	1809.	1881.	1882.
Wheat	39	42	33	24
Millet	37	42	33	28
Indian Millet ...	62	73	40	34

"The average price of millet during the ten years ending 1882 is twelve pounds the rupee higher than it was during the first ten years of the century (p. 216). As only half the revenue is collected in kind, the increase in prices would account for but a small portion of the actual increase in revenue.

"5. In a partition case between two Kathiawar States it

* This argument is not quite conclusive, as we don't know the population in 1807-08.

was discovered that the revenues of the villages brought under the partition had increased four times between 1852 and 1884. The details showed that while some villages had only doubled in value, others had increased in value fourteen times. This disparity was due to the different qualities of arable land which was not under cultivation in 1852, but which were brought under the plough by 1884. Similarly, the then prevailing state of insecurity prevented good arable land from being cultivated in 1807-08, and for years subsequent to 1807-08. It was Pax Britannica which in later times enabled the people to cultivate all arable land, and so increased the revenues of the States. The greater part of the increase must therefore be placed to the credit of British rule.

"6. If the records of Native States in other parts of India are examined it will probably be found that there too there has been a similar notable increase of revenue due to the same cause—*i.e.*, the greater security due to the existence of the British Government.

"7. In the cities of Kathiawar there has been a great increase in the number of houses during the last forty years and the new houses are of a superior style and are built of much better materials than those which existed forty years ago. Most of these houses have been built with money earned within the last forty years.

"8. In the towns of Kathiawar the prices of house-sites have considerably risen. In the villages no house-site is ever sold, and the people have no property either in their house-sites or even in their houses. On removal from one village to another they are in some places allowed to remove the roofs and doors of their houses, and in other places they are allowed to remove the doors only. Under such circumstances no improvement in houses could be expected. The rate of interest on good security is now much lower than it was forty years ago.

"Some of the States were formerly under attachment for inability to pay the tribute, and some of those very States

are now the richest in Kathiawar and have invested large sums in railways and other undertakings.

"When on account of the minority of a Chief a State is taken under the management of the Agency, it is very soon set free from debts and equipped with roads, schools, court-houses, a gaol and other accessories of an improved administration; and when it is restored to its Chief a handsome cash balance is made over to him along with the State. This well-known fact is clearly against the theory that British management causes a 'drain' of wealth. In speaking of the liquidation of debts I am referring to what used to happen even before the new regulations of 1898 and 1901.

"So far, therefore, as Kathiawar is concerned the theory of the 'drain' is clearly unsound. Is it true for the rest of India? Any person of average intelligence can test it for himself. He might begin with his own family and his own neighbours and acquaintances, and inquire how many of them are now richer and how many poorer than they were fifty years ago. If he is a resident of a town, he might inquire whether there are not now many more and much better houses in the town than there were fifty years ago, and whether these better houses have not been built with money earned within the same period; whether the prices of house-sites have not greatly risen and the rate of interest considerably fallen since 1860. If he lives in a village he might inquire whether the price of agricultural land has not greatly risen and the houses which were built of mud and thatch fifty years ago are not now built of much better materials with tiled roofs. He might also ascertain whether artisans, cooks, domestic servants, agricultural and other labourers do not now get higher wages than they did fifty or even thirty years ago. He might further inquire whether the sons and grandsons of those who formerly went about in a *langoti* and a coarse *kamali** do not now wear *dhotis*,† jackets and head-dresses. He might ask whether the

* Rug. † Loose kilts.

villagers do not now possess vessels of brass and copper in place of the earthen vessels which alone their forefathers could afford fifty years ago. He might find that the oldest inhabitants of towns and villages would be able to supply him with valuable information on the above and other similar points.

"Sir W. W. Hunter in his 'Indian Empire,' pp. 568-569, states that the net accumulations of silver and gold in India, after allowing for re-exports, averaged 7,000,000 sterling during the five years ending 1879, and rose to an average of 11,000,000 sterling during the next quinquennial period ending March 31, 1884, and this average is rising. The student might ask himself whether it is possible or conceivable that a country which is growing poorer year by year can afford to hoard more and more gold and silver. On this point he might with profit read the cross-examination of the Indian witnesses before the Welby Commission. He would find that those witnesses could offer no explanation at all of the increasing hoards of the precious metals. He might inquire why the publications advertised in certain newspapers publish the examination-in-chief of those witnesses and omit their cross-examination.

"Immense tracts of howling wastes have been converted by the irrigation engineer into smiling fields yielding rich harvests of wheat and sugar-cane year by year. The net produce of these lands ought clearly to be put to the credit of a system which is charged with draining the country's wealth.

"If the inquirer is honest with himself and makes up his mind to have nothing but the truth he will soon find himself forced to the conclusion that the 'drain' theory is contradicted by a large number of facts which face him at every turn and cannot stand the test of scrutiny. *Primâ facie* a state of peace is more conducive to the production and distribution of wealth than a state of incessant wars and insecurity which was India's lot before the establishment of

British rule. The evidence above indicated confirms this belief.

"Great is the responsibility of those who originated or propagated the 'drain' theory. It is no use their preaching moderation to those who accept and act upon that theory. For the extremists turn round upon them and ask whether it is not the height of cowardice to tolerate a Government which by its economic 'drain' brings about repeated and ever more and more disastrous famines and thereby causes the death of millions? Now that the 'drain' theory is proved to be at the bottom of the present unrest, and to have converted young students of respectable families into murderers and dacoits, is it not the clear duty of its authors and propagators to revise their conclusions in the light of facts which perhaps were not within their knowledge when the theory was first started more than forty years ago and in the light of facts which have subsequently occurred?

"In the interest of the rising generation and in the interest of the country I appeal to them to allay the unrest by revising their conclusions."

> "'There is no Dharma higher than Truth,
> And no sin greater than untruth.
> Truth is the Veda of Dharma,
> Therefore let not the Truth be concealed.'"
>
> MAHABHÁRATA.

"Yours faithfully,

"ENQUIRER."

The Editor (in his issue of December 18 last) comments on the above as follows:

"Last week we published a letter from a Hindu gentleman of position on the subject of the 'drain' of India's resources under a foreign Government. The theory is an old one, even older than Mr. Dadabhai Naoroji, and our own view of it is not unknown. It is not to be denied that the government of a country by an alien race from a distance necessitates a 'drain' on the resources of the

subject race. In the present case that is India's misfortune more than England's fault. The latter could not have taken possession of this country against the wishes of the people, and she does not profess to govern India as a matter of charity. She sends out men and money for the safeguarding and developing of a huge Empire exposed to foreign invasion and to internal dissension. The men must be paid, even their own price, since we cannot do without them. And the moneys sent out must earn interest, since our own capitalists have no enterprise. There are other 'drains' also, perhaps more deplorable. But what are we to do? If we change hands, we know that our second condition will be infinitely worse than our first, even under that wild vision we call 'Home Rule.' Besides, the more sensible among us recognize that the 'drain' of which we complain leaves a valuable deposit behind. Could India have done without her railways, canals and other public works, to say nothing of the post, the telegraph and the civil and military agencies generally? Or could the country have arranged for those out of her own resources? Let us view the situation as men—humanly. To talk at random, inflaming the minds of our young men, is a sin against our own country. The British Government of India is far from perfect; it needs improvement at almost every turn. But it is not by means of sweeping generalizations and impossible demands that we can bring about the improvement. Let us make honest efforts at progress, and have a living faith in them. Self-government of some kind is bound to come in time. To seek to force it upon an immature and unequal civilization, and amongst a people hopelessly divided, is such an obvious political blunder that we doubt if it can occur to the extremest of our extremists. Why, then, avow such a policy and create bad blood? On this point the duty of our public leaders is clear. We wish they would set it forth as clearly.

"As regards poverty we hold equally well-known views. This writer feels convinced from personal observation that

the common people in the villages, especially the large class known as 'agricultural labourers,' find it more difficult to eke out anything like a decent living. The causes may be many and not all of them reflecting on the humanity of the Government as such. But their uncertain policy and oft-changing laws have much to do with distress in our rural areas. Poverty is also intensified by rise in the cost of living, and suffering is aggravated by an ignorant and venal village agency. And as if this evil were not grave enough, our laws seem intended to punish, not to prevent, crime. Not a few of these laws, therefore, prove an incentive to the commission of crime.

" In towns and cities there is decidedly less poverty. On the other hand, new classes have sprung up under the British régime who are amassing wealth and acquiring importance out of proportion to the good they manage to do to the rest of the population. This is an economic evil, inevitable in the circumstances, and we can only hope it will work itself out. There is need of greater sympathy not only between the official and the non-official classes, but also between the employers and the employees in our industrial centres. And it is time those who have made fortunes in the trades and the professions shared them more liberally with the bulk of the population who helped them to make their piles. It is time, too, that Government showed a livelier sense of the privations of their own humbler servants in these days of the depreciated rupee and increasing domestic wants."

No doubt there must be a " drain " on Indian resources as the Editor says, but the only reasonable question is whether the charge for services rendered by the English to India is excessive. It would appear from the commencement of this paper and from a perusal of Leaflets Nos. I and II that it is not only not excessive, but extremely moderate.

This somewhat lengthy paper may fittingly close with the sensible reflections attributed to the Ghost of the

Hon. Mr. Justice Ranade in *East and West* for January, 1910:

"It is a moral law that for every benefit received you must pay a price. If England enriches India by increasing her produce and improving its circulation among a vast population spread over an extensive area, they are obliged to pay a price for the benefit they receive. That is what you call the 'drain.' As for the ill-treatment of natives, I have never made much of it myself. As a Judge I was quite familiar with the ill-treatment of Indians by Indians. It is an exclusive attention paid to controversial politics that makes young men like you exaggerate the inevitable human weaknesses of Englishmen. The best corrective for that tendency is religious and social reform on right lines. I always preached in the spirit of Tukaram who did not believe that good men are born only in one country or community."

April, 1910.

XVII

MORE TRUTHS ABOUT LAND RECORDS AND LAND REVENUE IN THE PUNJAB

By Sir James Wilson

The peasant proprietor values his land above all his other possessions, and what he most of all desires is security in his tenure, so that he may feel certain that he will continue to enjoy the possession of his ancestral holding and hand it on to his descendants after him. This is given him by our system of land record, which, at the cost of comparatively little expense and trouble, provides for each of the millions of landowners and tenants a map of his fields and a clear statement of all the rights relating to them. Anyone can for a few pence obtain a copy of this record, and the people show the confidence they have in its correctness by their readiness to buy land, or take it on mortgage, without any registered deed, being content with the security of title given them by the mere entry of their rights in the land record. The system thus mentioned not only makes land transfer cheap and easy, but prevents the numberless disputes and quarrellings that would arise among the millions of peasantry if their boundaries and rights were not so clearly defined.

In India generally the ruler of the country for the time being has always been held entitled to appropriate a share of the produce of all land for the public use, and it is obviously most important to the landowner that a certain and reasonable limit should be placed on this State's share which is now called "land revenue." Under the Sikhs

the officials of Government exacted, for the State or for themselves, almost as high a share of the produce as could be paid without causing desertion of the land. The demand was very uncertain and unequal, but must, on the average of the whole country, have equalled at least one-third of the gross produce of the land.

Under British rule, the standard of assessment has become more and more lenient, and now the land revenue, which amounts to nearly two million sterling for the Province, does not exceed one-tenth of the total annual agricultural and pastoral produce as compared with the one-third taken by the native Government up to sixty years ago. It now averages, as it has for the last forty years, about one rupee (that is, sixteenpence) per cultivated acre; but as the prices of agricultural produce have greatly risen, it absorbs a much smaller proportion than before of the total produce. Fifty-five years ago the Punjab peasant had to sell 80 pounds weight of wheat to pay the average land revenue on an acre of land; forty years ago he had to sell 43 pounds weight; now he has to sell only 29 pounds weight to get the necessary rupee to pay the land revenue on an average acre; so that the real incidence of the land revenue demand, as measured in wheat, has fallen in something like this proportion. Thus a much larger share than before, whether of the gross produce or of the net profits of cultivation, is now left to the peasant proprietor than was enjoyed by his father or grandfather.

Owing to the spread of cultivation and irrigation, the rise of prices and the growth in demand for land for cultivation, rents have risen very rapidly and are now, on the average, quite double what they were forty years ago. It was then still difficult to let many holdings at much above the land revenue due on them; now there are few holdings which cannot be easily let at double or three times the land revenue. This has naturally led to a great rise in the selling-price of land. Before annexation, and for some

years thereafter, agricultural land of ordinary quality hardly fetched any price at all; twenty years ago average land sold at £2 10s. per acre; now the market value of average land, subject to the payment of the land revenue, is over £6 per acre, more than one hundred times the land revenue assessed upon it. Thus the landowners of the Punjab possess, in their 28 million acres of cultivated land, a property worth in the market well over 150 millions sterling, and, as that same property was worth only 50 millions twenty years ago, this means that the liberal policy of Government, the general extension of communications and irrigation and the improvement of trade have practically presented the landowners of the province with an "unearned increment" of 100 millions sterling within the present generation.

While the average peasant proprietor has in ordinary times no difficulty in paying this light land revenue, there is a danger that in bad seasons, when there is little or no crop, the small holder, who has often no savings to fall back upon, may be driven into debt by a demand for the cash payable at fixed times to the State. Now that wages have risen, the danger is not so great as it used to be. A small holder with, say, two acres of average land, has to pay every half-year as land revenue only sixteenpence; and as he has now little difficulty in finding employment, either from his richer neighbours or on public works at fourpence a day, even in bad times, a few days' labour is all that is required to earn enough to pay the State's demand. We have, however, borne in mind this danger, and taken elaborate precautions to safeguard the small peasant from an embarrassing demand for land revenue at a time when he will have difficulty in paying it. In the first place the settlement officer, who re-assesses the land revenue every twenty or thirty years, is always specially careful to distribute the total burden of the assessment equitably over the different villages and holdings, so that each petty landowner may pay only his fair share. Then, when it is found

that a well has fallen in, or land has been damaged by the action of water or sand-deposits, the land revenue of the holdings permanently injured is proportionately reduced. Again, great leniency is shown in collecting the land revenue in bad years. A careful inquiry is made, village by village, and, when necessary, the collection of the whole, or a portion of the instalment, is postponed until better times come round. In 1907-08, when there was a serious drought over a large part of the Province, £330,000, or nearly one-fifth of the whole fixed land revenue demand, was suspended in this way.

Then, when good times come round, and the harvests are plentiful, the peasants can easily pay up their arrears. Last year the crops were generally good and prices high, and, after careful inquiry, again village by village, £150,000 of the arrears were collected. There are still £200,000 of arrears outstanding; but if only the present favourable crop prospects continue, and prices remain high, there will be little difficulty in collecting the greater portion of this during the current agricultural year.

In some parts of the Province, where the crops are exceptionally subject to great vicissitudes owing to variations in rainfall, irrigation and inundation, we have gone a step farther in the direction of making the land revenue demand proportioned to the crops of the year by introducing a system of fluctuating assessment—that is, every field is inspected twice a year by a State official who carefully records the area of each crop grown and its condition. No assessment at all is charged on fields which produce no crop, or a very poor one, and the full assessment is charged only on those fields which produce something approaching to a fair crop. The great advantage of this system is that it proportions the demand to the crop, and the peasant is only required to pay land revenue when he has produce to pay it from. It has its disadvantages also, the chief of them being that it involves an inspection of every field by a Government official, whose work must be checked by

higher officials, and gives the subordinate staff opportunities for extortion and bribery. Whether the advantages outweigh the disadvantages or not is a matter that may safely be left to the judgment of the peasants who have tried both plans; and the success of the system may be judged from the fact that of the thousands of villages whose land revenue is now assessed harvest by harvest in this manner, hardly one would willingly give it up and revert to that of a fixed average assessment. The system has also the indirect advantage of bringing the superior revenue officials into close contact with the villagers; and, above all, it makes the Government share directly and immediately with each individual cultivator in his losses as well as in his profits, and so avoids the odium of a seemingly callous realization of a fixed demand from poor peasants in years when their crops have failed. More than a sixth of the total land revenue demand of the Province is now collected under this system of fluctuating assessment, and it is becoming common for villagers to ask to have its benefits extended to them.

Sir James concludes this part of his paper with the following account of the great colonization schemes:

The great colonization schemes which have been carried out during the last twenty years have had a far-reaching influence on the conditions of agriculture in the Province generally. As a full account of them was given to this Society two years ago by Mr. Lawrence Robertson, I need only refer briefly to their results. The construction of the great canals which I have described rendered it possible to irrigate vast tracts of waste land owned by the State, and schemes were carefully drawn up under which this land was allotted for cultivation to selected men, usually men of the peasant class from the congested districts near the foot of the Himalayas. At first it was difficult to persuade them to leave their homes for the distant prairie desert with its unknown terrors and hardships; but soon the fame of the

profits reaped by the first settlers spread and there was a rush to obtain an allotment of State land on these wonderful canals. In fifteen years nearly a million people migrated from their old homes and settled down permanently amid surroundings of great comfort and prosperity. Altogether about 2½ million acres of what was formerly waste land have been allotted to nearly 100,000 fortunate individuals, the usual form of the allotment being a square plot of twenty-eight acres, and arrangements being made to provide irrigation to each plot from the State canal. Roads were aligned all over the area, villages laid out on the most approved sanitary plan, and everything done to help the settlers to begin their career in the new country. Notwithstanding vicissitudes and misunderstandings, these colonies have proved a magnificent success. In 1907-08 the largest of them, the Chenab colony, was able to feed itself and export over two millions sterling worth of wheat, cotton and oil-seeds. Three years ago an attempt was made by a number of professional agitators to stir up discontent among these colonists, and to persuade them that the Government, by passing a Bill then before the Council, intended to break the promises on which they had been induced to take up the new lands, and at first the attempt met with partial success. But the mass of the colonists refused to believe that a Government, always so careful to keep its word, was going to betray them now, and remained unmoved; and when the leading agitators were deported, the Bill withdrawn and the intentions of Government explained to the people, the excitement soon died away. A committee was appointed to inquire into any real grievances, and steps are being taken to remove them. When I marched through the principal colony tracts last winter, I found the general body of the people contented, loyal and grateful, and saw marks of extraordinary prosperity on every side. Where fifteen years ago there was nothing but uninhabited prairie, we now have flourishing fields of wheat and other crops stretching for miles and miles on all sides, well-laid out

roads and villages, with roomy houses, wells, mosques, schools, trees, gardens and every sign of comfort and progress. Since then the irrigated lands have produced another splendid crop last May. An old Indian friend of mine said: "I am eighty-three years old, and I have never seen such wheat before in my life." Prices have ruled extraordinarily high, and these colonists are now rolling in wealth. The land to which they, as individuals, had no previous claim and which was granted them in most cases for nothing, is now, subject to all the State's demands for land revenue, cesses and charges for water, worth in the market about 20 millions sterling. What wonder if they, as they themselves say, pray night and day for the Government that has conferred such benefits upon them, and are confident that the necessary steps will be taken to remove any reasonable cause of grievance.

May, 1910.

XVIII

AGRICULTURAL INDEBTEDNESS AND THE ALIENATION OF LAND IN THE PUNJAB

ANOTHER interesting question, discussed by Sir James Wilson in the paper from which we have quoted so largely, is that of debt and alienation of land. He says :

One of the great difficulties of the small peasant is to obtain the capital necessary for financing his agricultural operations and carrying him through seasons in which the produce of his holding is not sufficient to maintain him and his family and cattle. Hitherto he has mainly depended in this respect on the village shopkeeper who combines with his business of providing the villagers with the necessaries and small luxuries which their own holdings do not produce—such as salt, oil, sugar, cloth, etc.—the still more lucrative business of banking or money-lending, by allowing credit to his customers for goods bought or advancing them money on interest. The chief security the peasant in former times had to offer was his hope of future good crops ; and as this security was very uncertain, high rates of interest were common, and even now as much as 75 or 100 per cent. per annum is sometimes charged for short loans. It may, however, be estimated that at the present time the ordinary fairly solvent peasant has to pay about 20 per cent. per annum on money or goods borrowed by him. This, at compound interest, quickly doubles the original debt, and, unless the borrower is able soon to pay it off, he becomes hopelessly involved.

As the net profits of cultivation rapidly increased and

the land rose in market value, the peasant's rights in the land became a desirable investment and the shopkeeping class naturally schemed to get possesion of it by encouraging the peasant to borrow freely until he became so deeply indebted that he was forced to mortgage or sell part of his cherished holding on terms favourable to his creditor. Too many of the smaller peasants were ignorant and unthrifty, and ready to borrow for present needs without considering that accumulating debt would ultimately force them to part with their land.

The consequence of this state of things was that, while the State was reducing its share of the produce taken as land revenue and thus making rights in the land more valuable, and while those landowners who could keep free of debt were becoming more and more prosperous, there was a steadily increasing number of hereditary landowners who had lost the whole or part of their ancestral lands to the shopkeeping class or to the residents of towns who did not farm the land themselves, but let it at the highest rents they could get, often to the dispossessed peasant proprietors. This evil gave rise to a growing feeling of discontent among the expropriated peasants who could not but feel that there must be something wrong with the law which had this effect, so disastrous to themselves and their families. This discontent at last forced itself on the notice of the Government and the Punjab Alienation of Land Act was passed, making it impossible for members of the shopkeeping and professional classes to buy or take on mortgage for more than twenty years land owned by members of the hereditary land-owning classes except with the consent of a Government official. The effect of this Act has been even more satisfactory than its supporters hoped. The average area annually sold has fallen from 173,000 to 128,000 acres, and the average area annually mortgaged from 327,000 to 238,000 acres, while the average area annually redeemed from mortgage has risen from 235,000 to 322,000 acres. Thus the Act has not only

been successful in stopping the growing process of expropriation of the hereditary landowners from their ancestral land, but has enabled them to recover possession of a large area that they had lost. All over the Province it has called forth expressions of the warmest gratitude from the peasants, who realize that it has saved their ancestral holdings to themselves and their descendants. It has also added an incentive to thrift and discouraged extravagance, as it has given hope to the struggling peasant who was becoming overwhelmed by debt and has shown him that the Government sympathizes with him in his trouble and is willing to help him in distress. Naturally, the measure is not popular with the trading and professional classes as it has put a stop to their ambition to secure the peasants' land for themselves. It has not otherwise inflicted any real injury upon them, as they can still find profitable employment for their capital in financing agriculture, trade and industry without reducing the peasant proprietors to the position of rent-paying tenants or landless labourers. I am glad to see that the Government of India have recently declared that the policy of this Act must be maintained, and that no departure from it can be allowed which would frustrate the principles on which it is based by facilitating the passing of land out of the hands of the true peasants.

Unfortunately, the people of the Punjab are much given to litigation as a substitute for the riots and violence which, in old days, often furnished them with pleasurable excitement. Many a peasant has been ruined by his fondness for gambling in the law-courts and his passion for carrying appeals on petty matters to the higher tribunals. The temptation to litigate has been recently reduced not only by the Alienation of Land Act, but by extending the period of limitation for ordinary suits for debt from three years to six ; and, above all, the complete system of recording the rights in the land affords a ready means of settling disputes about land without going into the law-courts. These measures have had a considerable effect in reducing litiga-

tion, and the income from judicial stamps, which affords an indication of the number and value of suits brought, fell from £180,000 in 1904-5 to £160,000 in 1906-7. Unfortunately, they have also had an effect in reducing the income of the lawyers, and, while the unemployed labourer is a difficult problem to deal with, the starving lawyer is a graver danger to the peace of the community.

Owing to these measures, and still more to the rising value of agricultural produce and of land, the burden of debt on the agricultural classes is growing less serious in proportion to the value of their property. The area held on usufructuary mortgage has decreased from 14 per cent. of the total cultivated area five years ago to 11½ per cent., and the total indebtedness of the agricultural classes to other classes cannot be more than 20 millions sterling, less than one-seventh of the market value of their land. Few countries in the world could show a better record than this.

Measures have also been taken to provide the peasant with the necessary capital at a lower rate of interest than he is generally charged. State funds are advanced at 6¼ per cent. to landowners for land improvements and for the purchase of seed, cattle and fodder in bad times, and about Rs. 200,000 are at present out on loan in this way. The system has recently been overhauled and improved so as to make it easier for the peasant to obtain such an advance, to make the accounts simpler and to insure that repayment by instalments is made easy and enforced only when the crops are good. Last year, when there was a serious drought in great part of the Province, £120,000 of State funds were disbursed, and enabled the peasants of the affected tracts to sow a much larger area of crops than they otherwise could have done, and thus not only increased the produce of the land, but helped to provide useful employment and to prevent the development of famine conditions.

Even, however, if the State advanced as much as a million sterling for such purposes, as, I think, it very well

might do, this would only provide a fraction of the total sum at present required to finance agriculture, and other means must be sought of aiding in its provision at reasonable rates of interest. It is partly with this object that the co-operative movement has recently been started, after study of the marvellous results which have been attained by co-operation among communities of small farmers and landowners in various countries of Europe. A Co-operative Credit Societies Act was passed a few years ago, and in the Punjab, as in other Provinces, a special officer was told off to encourage the establishment of village banks among the peasants and to audit their accounts for them free of charge. Last year the Province had 316 such banks, with 23,000 members and assets worth £60,000, which exceed their liabilities by £6,000. There is so much capital among the peasantry that these societies have borrowed very little from outside, the members themselves having subscribed or advanced to the societies £40,000; but when they do want to borrow they will be able, with their joint unlimited liability, to obtain loans at much lower rates of interest than any individual member could. At present most societies charge their members on loans about 9 per cent., which is much less than the 20 per cent. (or more) they have been forced to pay hitherto. The movement is still in a tentative stage, but is full of promise and there is good ground to hope that it will in time not only provide the smaller peasants with capital at less cost and enable the richer members of the village communities to aid their poorer fellows without risk of loss, but will encourage the growth of thrift and of a spirit of co-operation in other directions than that of providing capital.

Tenants and Labourers.

Next to the peasant proprietors, the most important class in rural economy is the body of tenants who, with their families, number about one-sixth of the total population. They, too, have benefited from the rise of prices,

for, although their rents have risen, their profits have risen still more. The great extension of cultivation and irrigation of recent years has led to a keen demand for tenants on the part of landowners who have more land than they can cultivate themselves, so that a tenant has little difficulty in finding land at a remunerative rent. The tenancy law of the Province protects most of the tenants of old standing from arbitrary ejectment or undue enhancement of rent; and, although it leaves the landlord at liberty to bargain with his ordinary tenants as to the rent to be paid and the conditions of the tenancy, it prevents him from ejecting any tenant without due notice and payment of compensation for any improvements of importance the tenant may have executed on the holding. Generally speaking the relations between landlords and tenants are good; and, seeing that there are some five million separate tenant holdings, the number of cases of dispute between these classes which come into court is surprisingly small.

The other residents of the villages are the artisans and labourers who form an important class, although most of the field-work is done by the small peasant proprietors and tenants themselves. During the last forty years agricultural wages and the wages of masons, carpenters and blacksmiths have approximately doubled, and, what is still more important, employment has become much more constant, owing to the spread of irrigation, the activity of trade, the accumulation of capital and the steady demand for labour for the construction of houses and making of roads, embankments, canals, railways and other improvements. Formerly a common rate of wages for an unskilled labourer was twopence or threepence a day; now he has not far to go to earn fivepence or sixpence, and at harvest-time his earnings often amount to a shilling a day. The great shifting of the population due to the extension of canal irrigation to new lands has encouraged the labouring population to move readily from place to place, according to the demand for labour, and so to find higher wages and

more steady work. Unfortunately, in some parts of the Province, the recent mortality from plague and fever has been so great that it has appreciably lessened the number of available workers, while the work to be done and the produce to be divided remain the same as before; and this cause, too, like the Black Death in England, has made the position of the labourers stronger and helped to raise the rate of wages. On the whole, it may safely be said of the labouring classes, as well as of the peasant proprietors and tenants, that they are at present more prosperous than they ever were before. They are the class who suffer first in famine times owing to the cessation of employment and who have benefited most from the famine policy of recent years, which aims at maintaining the demand for labour in bad times by liberal suspensions of land revenue and the grant of loans of State funds, and is prepared, if necessary, to find employment on relief works for people whose means are exhausted. The extension of irrigation and communications and the accumulation of capital have, to a large extent, removed the fear of famine from the Punjab, and each successive drought shows a greater staying-power in all classes of the people. Careful preparations have been made in all districts liable to drought to provide work for all and food for the helpless should famine occur; and the labouring classes as well as the peasants have now no cause to dread death by starvation which in old days carried them off by the thousand in years of widespread failure of the rainfall.

May, 1910.

XIX

THE CONDITION OF THE PEOPLE IN THE PUNJAB

(From a paper read by Sir James Wilson, K.C.S.I., late Financial Commissioner, before the Royal Economic Society.)

Interest and Credit

It is somewhat surprising that, with all the accumulation of capital that has taken place in the last twenty years, and indeed in the last fifty or sixty years, the rate of interest charged on ordinary loans remains very high. For instance, the State itself and the private railway companies have spent in the Province something like £30,000,000 on railways and £10,000,000 on canals, almost all borrowed from outside, and there also has been a very large amount of saving. Much of the accumulated capital, however, has been sunk in improvement of the land, both in the shape of large public works and of numerous small private works, such as wells and embankments,* and is accounted for by the rise in the market value of the land. Much has been secured by the labouring classes in the rise of wages, and much has been utilized by all classes in improving their standard of living. They have more and better food, clothes, houses, agricultural implements, cattle, household utensils. Much has been put away by the people in the form of hoards or ornaments of gold or silver. After an inquiry into the prevalent rates of interest I have come to the conclusion that, on the average, the ordinary small peasant has to pay something like 20 per cent. per annum

* That money, at any rate, remains in the country.—Ed.

for loans. The actual rates charged vary very much—say, from 12 per cent. to 50 or more — but perhaps the commonest rates are 18 and 27 per cent. per annum. Among the reasons for these high rates are that the peasant's borrowings are mainly made in hard times, when his need is urgent, and he is prepared to agree to almost any terms in order to get money; that he is generally ignorant and illiterate, and often thriftless, so that he is at the mercy of his more astute creditor the village shopkeeper; that his chief security, besides his land, with which he is now more unwilling than ever to part, is his crops, which are still, even on irrigated lands, subject to great vicissitudes of season; and that the procedure of the Civil Courts, though recently greatly improved, is still too complicated for the petty disputes of peasants and shopkeepers, and although it is not difficult for a creditor, at the cost of some money and trouble, to get a decree, it is by no means easy for him to execute it, so that the expense of litigation and the lender's fear of losing part of his capital keep up the general rate of interest.

The Government have taken measures to improve this state of matters. One-sixth of the land revenue and the whole of the large sum levied as the price of the canal water are now assessed on the crops actually harvested and realized only when the cultivator has produce in his hands from which to pay them. The old policy of suspending the fixed land revenue demand in years of bad harvest has been made much more liberal, and in the dry year 1907-8 £330,000, or nearly one-fifth of the whole fixed land revenue demand, was suspended, to be realized only when a good harvest made it easy for the peasant to pay it. State money is freely advanced to landowners at $6\frac{1}{4}$ per cent. for land improvements, and in bad seasons free of interest for the purchase of seed and fodder, and the loan is recovered by easy instalments in years of good harvest. The amount at present out on loan in this way is about £200,000, and I think myself it might well be

increased to £1,000,000. Much is to be hoped for from the recently started co-operative movement which has been fostered by Government by the passing of a special Act, and by the appointment of a Registrar who, assisted by a competent staff, preaches the benefits of co-operation to the peasants, advises them and audits their accounts free of charge. The number of co-operative societies is rapidly increasing. Last year there were in the Province 316, with 23,000 members, and assets worth £60,000, of which the members themselves had subscribed £40,000. The societies charge their borrowing members about 9 per cent., and much success has already been attained in a number of villages in freeing the poorer members from the crushing burden of old debts at much higher rates of interest. Many of the leading peasants who manage these little banks themselves are keen and careful managers, and, as the societies have recently come successfully through a bad year, the movement is likely to spread rapidly, and, by a reduction in the rate of interest and the encouragement of a spirit of thrift and co-operation, to confer immense benefits on the poorer classes of the peasantry.

The Labouring Classes.

In the Punjab, where the land is almost entirely cultivated by small peasant proprietors or tenants who do most of the field-work themselves, and where large industries are only in their infancy, the classes of landless labourer and artisan are of little importance in comparison with the position they hold in such a country as England. In 1901 the number of agricultural labourers and their families was returned as less than 2 per cent. of the total population, the other unskilled labourers as 3½ per cent., the number of weavers as 6 per cent., and the number of leather-workers as 3 per cent.—and 3 per cent. of the population were returned as subsisting by mendicancy—a tribute to the charity for which Indians of all classes are distinguished. It is these poorer classes, however, who are most helpless,

and who soonest succumb to bad times; and so long as they are well off, there cannot be much doubt as to the general prosperity of the country. It is desirable, therefore, to consider how they, and especially how the unskilled labourers, have fared in recent years.

The figures for wages available for past years are the arithmetical averages of the rates reported as prevalent in each of the twenty-nine districts of the Province, and, although only approximate, are sufficient to give a general idea of the rise of wages. I have quoted them as they stand in Appendix VI. (not printed here), from which it will be seen that the rates reported as the average monthly wages in rupees of agricultural labourers for the Province have, on the whole, risen fairly steadily during the last thirty-seven years, and that there has been a very extraordinary rise during the last four years, the average for which is practically 10 rupees a month against a little more than 5 rupees in the early years of the series: that is, at present an ordinary agricultural labourer can earn nearly twice as many rupees a month as he could thirty-seven years ago. If we take the arithmetical averages for different periods, we find that, for the eighteen years ending 1890, the wages of the agricultural labourer averaged 6·1 rupees, and for the last nineteen years 7·6 rupees, an increase of 25 per cent. over the average for the previous period; but if we take the average for the last four years, it is 9·9 rupees, an increase of 62 per cent. over the average of twenty years ago.

I have given also the figures for the daily and monthly wages paid for unskilled labour in the railway workshops at Lahore, the capital of the Province. These figures are much more trustworthy than the others, as they represent rates actually paid, but they reflect the demand and supply of labour in one locality only, and not for the whole Province. According to these figures, the average monthly wages of unskilled labour at Lahore were for the first period 5·4 rupees, for the second period 6·8 rupees, and for

the last four years 8·3 rupees—a rise of 26 per cent. for the second period over the first, and of 54 per cent. in the last four years, compared with thirty years ago. So that these figures for Lahore corroborate to some extent those for the Province generally. Daily wages paid for unskilled labour at the Lahore workshops were 3 annas thirty-seven years ago, and $5\frac{1}{4}$ annas last year, and the averages for the different periods have been, for the first eighteen years 3·2 annas, for the last nineteen years 4·2 annas, and 5 annas for the last four years. It is more usual, even in the case of agricultural labour, to pay by the day than by the month, and if we take the monthly wages reported for the Province and spread them over twenty-seven working days in the month, we get the following figures for daily wages as the average for the Province: for the three years ending 1875, 3·1 annas; for the eighteen years ending 1890, 3·6; for the last nineteen years, 4·5 annas; and for the last four years, 5·9 annas. Broadly speaking, then, it may be said that the average wages of an agricultural labourer in the Punjab, measured in annas, are now nearly double what they were forty years ago, and at least 50 per cent. higher than they were twenty years ago. For the last eleven years the gold value of the anna has been exactly 1d., so that it may be said that at present, on the average, an agricultural labourer in the Punjab can earn between 5d. and 6d. a day. As a matter of fact, the demand for labour varies very much from place to place and according to the seasons; but it is seldom that a labourer cannot earn at least 4d. a day by labour in the fields, or in the towns, or on canal, railway, and other public works; and at harvest time, especially in the irrigated tracts, when very large areas of crops have to be reaped in a short time, his earnings often amount to more than 1s. a day.

The true measure of the labourer's prosperity is the margin he has left over from his wages after providing for his necessary wants, and we must therefore make allowance for the recent rise in prices of food-grains. As compared

with his daily food, his other needs are of little importance. For clothing, the poorer class of agricultural labourer is content with a few garments of coarse cotton and a woollen blanket or two. For shelter, he is happy in a house of sun-dried bricks made with his own hands and with the help of his neighbours. For fuel, he or his family can always pick up enough sticks or dung to make a fire to bake his scones, or heat his milk, or boil his vegetable broth. He rarely tastes meat or spirits, and his chief luxuries are sugar and tobacco, which are not taxed inside India and are therefore cheap. After long experience on famine relief works we have found that a man doing a fair daily task of spade-work is kept in good condition if he is given a daily wage sufficient to enable him to buy $2\frac{1}{4}$ pounds weight of the cheapest grain; not that he eats so much grain, but this covers also the cost of salt, fire-wood and vegetables. Few labourers actually consume more than 2 pounds of flour in a day. In ordinary times this amount of millet or pulse can be bought for 1d., and even in famine times it rarely cost more than $1\frac{1}{2}$d., so that the unencumbered labourer, who can earn even 4d. a day, can easily afford himself more than his daily necessary food and save money. I take, however, the case of a man who has to support out of his own earnings a wife and two children. Such a family will not consume more than 2 maunds—that is, 165 pounds weight of grain in a month—so that the price of 2 maunds of *jawár*, the cheapest grain, is enough to allow for the monthly expenditure on necessary food for such a family. I have accordingly shown in the statement the cost of 2 maunds of *jawár* at the average price for each year, and the difference between that and the average monthly wage I have called "the margin of comfort," as it represents what the married labourer has over, after providing enough food to keep his family in good health, to spend on clothing, comforts and petty luxuries, or to save. It will be seen that the cost of 2 maunds of cheap millet averaged 3·3 rupees for the first

eighteen years of the period taken, 4·4 rupees for the last nineteen years, and 5·2 rupees for the last four years; so that the margin of comfort of such a family averaged 2·8 rupees for the first eighteen years, 3·2 rupees for the last nineteen years and 4·7 rupees for the last four years. Thus, notwithstanding the rise of prices, the average labourer is much better off than he was formerly, and has now nearly twice as much to spend on comforts and luxuries as he could reckon on twenty years ago. In years of scarcity, however, when grain is dear, this margin of comfort for the married labourer is dangerously reduced. In 1896, and again in 1900, it took nearly all his wages to provide his family with necessary food. In 1908, though prices were very high, the phenomenal rise in the rate of wages left the margin of comfort not much below the average. This is the condition of the married labourer who obtains constant employment at the average rate of wages. But, of course, there are often times when he finds it difficult to do so, and must be content to accept lower wages temporarily, or go in search of work, or do without it for a time. This is especially the case in seasons of widespread drought, when the soil is too dry and hard to be worked, and agricultural operations are at a standstill over many square miles of country. Formerly such conditions gave rise to famine, and it required all the resources of the State to keep the people alive. In the Punjab, thanks to the recent great development of cultivation and irrigation, to the accumulation of capital and to the constant demand for large bodies of unskilled labourers on the canal and railway works, there is now little fear, except in small isolated tracts of country, of the development of famine conditions to such an extent as to necessitate the opening of large relief works. When the prices of the inferior grains fall, as they are already showing a tendency to do, and the population recovers its normal health, wages will probably fall a little, but they are not in the near future likely to be again much below their present level, because

the conditions which have chiefly caused the rise are more or less permanent. Cultivation and irrigation are likely to continue to expand, the demand for labour on canals, railways and other public works is likely to continue; all classes have recently added greatly to their accumulations of capital, and the total produce of the Province is still increasing rapidly, while the population has decreased, and the number of hands to work and of mouths to eat is less than before. The advance in prosperity which has been secured by the labouring classes in recent years is likely to be permanent, and I do not think we shall soon see the average rate of wages for unskilled labour fall below 5d. a day, or 9 rupees a month.

The Punjabi peasant has always been ready to take service in the Army or the Military Police and to wander in search of fortune, and he may be found in numbers in Burma, China, or even in far-distant Australia or California; and the recent changes in the economic conditions of the Punjab have made the labourer much more inclined to move in search of better wages. The great colonization schemes, which have been so successful, and which have tempted more than a million persons to migrate from their old homes within the last twenty years, have led to a loosening of old ties; and the demand for labour on newly irrigated land and on the large public works have also encouraged the labourers to migrate for the better wages they could earn elsewhere. In the old villages it is now a common complaint among the yeomen and peasants that their hereditary dependents, the village menials, who used to help them in the fields, repair their implements and do odd jobs for a customary wage, usually paid in kind, have left them for better-paid work on cash wages elsewhere; so that they have either to do the menial labour themselves or to pay high wages in cash to get it done. There is no doubt that there has in this way been a great unsettling of the quiet old village life, custom giving way before competition and cash payment taking the place of payments

in kind. But the change has led to a great advance in the independence and prosperity of the menial classes, and the greatest cost of labour to the yeomen and peasants is more than made up to them by the greater value of their crops due to the rise of prices.

There has been a similar rise in the wages of the skilled artisan classes, such as carpenters, blacksmiths and masons, due to similar reasons. According to the reports from the different districts, the averages for these classes have been as follows per month: for the three years ending 1875, 12·7 rupees; for the eighteen years ending 1890, 14·6 rupees; for the last nineteen years, 20·4; and for the last four years, 27·4 rupees—so that an artisan of these classes can now earn nearly double the wages he could earn twenty years ago. The demand for better houses, better implements and utensils, and the growth of public works of all kinds have provided much regular employment for this class of skilled workman and their prosperity seems assured

The great and sudden rise of prices and wages has not been without its hardships, especially to those classes whose income is a fixed number of rupees, as they now find it difficult to make both ends meet and to maintain their previous standard of comfort. But there is a tendency, in discussing the effects of this rise, to dwell upon the interests of the consumer and to forget those of the producer. Practically all the officials, thinkers, speakers and writers who deal with the question are, so far as regards material wealth, more consumers than producers, and they naturally think first of the interests of their own class. But the great mass of the population of the Punjab, landowners, tenants and labourers, are producers as well as consumers, and there can be no doubt that for them the net result of the recent rise in prices and wages has been a great increase in wealth. There is another tendency to be avoided. In dealing with questions affecting the land we have, naturally and properly, concentrated our attention on the unfortunate members of the landowning community,

those who have lost their land or become involved in serious debt and have been busied in devising means for their protection. But let us not forget that they are a small minority of the whole body, and that the great mass of the peasant landowners are well off and free of debt, many of them possessing, besides their land, property of considerable value in houses, cattle, utensils, clothes and ornaments. The landowning and tenant classes of the Province are able, after meeting their own needs and those of the rest of the population, to export annually agricultural and pastoral produce to the value of £12,000,000 sterling, or about one-third of the gross produce of the land. Only about one-eighth of the land is under mortgage; and the total indebtedness of the agricultural to the non-agricultural classes cannot much exceed £15,000,000 sterling, or about one-tenth of the selling value of their land. There are few countries in the world which can show a better state of things than this.

June, 1910.

XX

THE INCIDENCE OF THE INDIAN INCOME-TAX

THE average income on which income-tax is assessed in Great Britain is about £900. The smallest income upon which the tax is leviable is £160. In Germany the average taxable income falls below £120, the smallest income on which the tax is leviable being £45. There are about a million persons who have more than £160 a year in Great Britain, and these have 50 per cent. more income than the 5,400,000 taxable persons in Germany. In India there were 255,792 persons assessed to the income-tax in 1906-07, and their income amounted to not less than £56,941,480. This gives an average income of over £222, the smallest being £66. But it must be remembered that in India *no income derived from land is liable to income-tax.* Consequently the income-tax in India is comparatively trivial, and affects only about a quarter of a million people; and even of these the Government officials pay more than one-fifth of the whole tax.

In Prussia, again, 36,000,000 out of the 38,000,000 assessed to the tax (or 94·7 per cent.) have an income below 3,000 marks (say, £150). Thus the 2,000,000 who have an annual income above 3,000 marks pay 66 per cent. of the whole income-tax. This leaves about one-third of the tax to be paid by people whose income falls far below the average of the tax as assessed in India. It is evident, therefore, that the income-tax in India is infinitely more moderate in its incidence than in Germany.

It is also worthy of note that in spite of the raising in India of the minimum in 1903 from £33 to £66 (which caused an immediate loss of £200,000, whilst relieving 250,000 people, or the half of those assessed), the gross receipts at once began to rise again, and in 1907-08 exceeded anything that had ever been collected when the minimum was exactly half what it is now. Surely this, again, is some proof that the general wealth of India is, at any rate, not decreasing.

July, 1910.

XXI

THE ALLEGED DESTRUCTION BY ENGLAND OF INDIAN INDIGENOUS INDUSTRIES

IT is being constantly reiterated by writers (who certainly ought to know better) that England in years gone by deliberately set herself to ruin the industries of India by high protective duties; and that, in short, England repressed India's great industries for selfish British ends and destroyed her indigenous trade and manufactures. This has been thoughtlessly accepted by some, but it has been strenuously denied by writers who have studied the question impartially. It is true that Mr. Dadabhai Naoroji once allowed himself to go so far as to say that "all the great industries of India have been destroyed, simply because the people had not enough to eat and were not able to carry them on." If that were anything like the truth and not a glaring exaggeration, how does it happen that even such an extremist as the late Mr. W. Digby admits that about 60 millions (out of the 240 millions of British India) are "fairly prosperous?" And how comes it that on the average so many native merchants in the Western Presidency are far more prosperous than their English rivals in trade and commerce? And how came it that the late Mr. Samuel Smith, M.P., who visited India in the year 1862, bore witness that the environs of Bombay, especially Malabar Hill, were covered with villas belonging not so much to the English "robbers" as to the "robbed" Parsees and Hindoos? "No one can doubt," he says, "that this is a wealthy city and a beautiful one." "Trade is flourishing,

especially the weaving branch. The demand for goods is unusually active, and manufacturers alike in Lancashire and Bombay are earning handsome profits. Over eighty great factories, *equal in every respect to those in Lancashire*, give employment to large masses of the population," etc., etc. Is it possible that Mr. Dadabhai Naoroji and Mr. Smith can have been speaking of the same country?

In December, 1908, Mr. C. W. McMinn, I.C.S. *(retired)* read a paper before this Association dealing with this subject. He had been making an exhaustive study of the question for years and had gone carefully through Macgregor's "Commercial Tariffs," and examined all the old records regarding the trade of John Company with the East, and this is what he says :—

"In a great work on 'Economic History' (by Mr. Romesh Chunder Dutt), I find it stated that the British imposed an 'unjust' and 'enormous' duty on Indian cotton of 20 per cent.; but on reference to the quoted authority I find it was 4d. per cwt. As cotton was 5d. per lb., the rate was less than 1 per cent. This was not a printer's devilry, for taffetas, sugar, mats, are similarly mis-stated. The truth was that foreign cotton was paying 5s. 10d.* per cwt., about 20 per cent., while Indian cotton had the preferential tariff, less than 1 per cent. This is the truth.

* * * * *

"In 1784 England reduced the British Tariff tax on tea to 12½ per cent., on piece-goods to 18 per cent.; and to make up the deficiency thus caused in the Inland Revenue imposed a window tax on the English people. This proved a hardship and a sanitary evil to the poor, and a grave annoyance to the rich.

"William Pitt did this. Possibly he remembered that Indian trade had made his grandfather a rich man, and founded the great fortune of the great Chatham.

"Up to 1860, in the matter of tariffs, *Britain favoured India more or less.* About 1838 there were forty-three

* Commons Report, 1832, vol. ii., p. 607.

articles, including every important article of necessity or luxury, for which there were preferential light duties for British possessions. For raw silk from Bengal there was a special light duty, favouring Bengal. It paid 4s. 6d., while all the rest of the world paid 5s. 10d. per lb.*

* * * * *

"British tariffs were not only just to India but *even benevolent* from 1825 onwards. Opium, indigo, tea, jute, cotton, were bringing wealth to the Empire surpassing tenfold that of 'The Moguls.'

* * * * *

"I admit that, in Bengal particularly, for the first twenty years after the Company assumed the *Diwáni* there were most serious drawbacks to the peace and prosperity which British rule introduced.

"From 1785 amendment commenced, partly due to a great improvement in the Customs regulations and to lower tariffs on the two great Eastern products, tea and piece-goods, dating from 1786 and 1784.

* * * * *

"Everyone has heard of the plunder after Plassey, but the reduction of the duties in 1784 on tea and piece-goods were boons to India and to England.

"So far as I can judge, not one of the numerous writers on economic subjects in India has ever heard of these tariff changes in 1784. They seem to have a general idea that the Company and Government in England, being hostile to Indian manufactures, imposed unjust and enormous duties to crush or throttle them, and with fatal success: so that India, once a great manufacturing country, has now fallen back solely upon agriculture, which again is strangled by a heavy and invariable land-tax, so that the peasantry, becoming poorer and poorer, are perishing by famines which have become more deadly and destructive every year.

"I am using the exact words employed by Martin in his

* Commons Report, 1832, vol. ii., p. 607.

several manuals of Indian economics, by Wilson, Naoroji and others.

"Most of their statements are incorrect, and even when they discuss the harshness and injustice of the period of twenty years 1765-1785 they exaggerate gravely.

* * * * *

"The East India Company, far from being hostile to Indian manufactures, spent about £160,000,000 *in training artisans, in establishing factories*, in buying and transporting to England for sale there the piece-goods, silk, saltpetre, indigo, sugar, which were their principal staples. They sold piece-goods alone for 65·9 million pounds in forty years (1771-1810).* For years before the Company ceased to trade they conducted operations at a loss, hoping for improvement, buoyed up by flattering statements from their servants—the commercial agents. The Indian trade was a losing concern, but the Company through its monopolies of tea and opium earned several hundreds of million pounds, which largely paid the expenses of Indian administration out of the pockets of the Chinese consumer of opium and of the British tea-drinker. They never said, 'Leave off weaving: we will weave for you.'"†

* Milburn, ii. 233.

† Dutt's "England and India," p. 129.

August, 1910.

XXII

THE ABSORPTION OF GOLD AND SILVER BY INDIA, AND WHAT IT MEANS

In view of renewed criticisms of the administration of India—notably by Mr. Charles Edward Russell, an American traveller—it seems desirable to draw attention to the other side of the shield as depicted by Sir James Wilson in his most illuminating paper on "Indian Currency Policy."

Absorption of Gold by India.

As we are specially interested in India, let us see what share India has secured of all this gold. We have fairly trustworthy figures for the import and export of treasure into and out of India since 1840, and these show that during the last seventy years India has absorbed £240,000,000 worth of gold—equal to more than one-tenth of the whole world's production during that period. India's population is about one-sixth of that of the whole world, so that the quantity of gold that India has secured is not so very far short of its share with the rest of the world, man for man, as might be imagined from the comparative poverty of the masses of its population. There must have been a good deal of gold in India in 1840, and there cannot have been much absolute loss of gold since then, so that India must at this moment contain something like £275,000,000 worth of gold, or nearly one-twelfth of the whole existing world's stock, which I have estimated at £3,500,000,000.

Moreover, India's absorption of gold is rapidly increasing, and the share it takes of the greatly increased annual supply is growing. During the last decade the world's

production was £780,000,000 worth, and of this India absorbed £82,000,000 worth (more than one-tenth). In the last two years she has absorbed £35,000,000 worth, which was more than one-sixth of the world's production for those two years. Of the whole £275,000,000 worth of gold held in India, only about £6,000,000 worth is in the Government treasuries; all the rest is held by the people.

It seems to me that these figures for India, even more than those for the banks and treasuries of the world, indicate why it is that, notwithstanding the enormous increase in the world's stock of gold, the exchangeable value of gold in relation to other commodities generally has risen considerably in the last forty years. As people's material prosperity increases, they like to have more gold in their possession than before--whether in the form of hoards or ornaments—and they can afford to indulge in that luxury, so that their effective demand for gold rises more rapidly than that for other commodities which they do not desire so much. Owing to the great advance made by man in his mastery over the forces of Nature during the last century, there has been almost everywhere in the world an enormous addition to capital of all kinds and to the material wealth of the human race. The desire for gold is universal, and this increase of material wealth has enabled vast numbers of people throughout the world to gratify that desire, and is the real cause of the appreciation of the exchangeable value of gold, which the course of prices proves to have taken place, in spite of the unprecedented addition to the world's supply.

As for India, her prosperity is steadily advancing. Great numbers of her people prefer to spend their savings on gold rather than on other commodities. The probability is that, altogether apart from questions of currency, India will continue to absorb gold in ever-increasing quantity.

World's Supply of Silver.

So much for gold. Now, let us see what has happened to silver. In studying silver, it is better to deal with weight than with value in pounds sterling, because the gold value of silver has varied so much from time to time. I therefore give the figures for silver in millions of ounces. (It is well to remember that an ounce of silver is now worth about two shillings, or a tenth of a sovereign, and that up to forty years ago it had for some time been worth about five shillings, or a fourth of a sovereign.)

The total world's production of silver from the discovery of America, 400 years ago, has been nearly 11,000,000,000 ounces. There was a large quantity of silver in the world before then, and the wastage cannot have been very great. I estimate the present world's stock of silver at about 12,000,000,000 ounces, worth, at its present price, £1,200,000,000 in gold. Nearly half this amount has been added to the world's stock of silver during the last sixty years. The rate of production, measured in decades, steadily increased from 1830 onwards, and rose to 182,000,000 ounces per annum in the decade 1901-1910, the production last year being the record one of 218,000,000 ounces—more than double what it was only twenty-five years ago, and eight times what it was sixty years ago. With this enormous addition to the world's supply of silver, the wonder is that its exchangeable value has not fallen even more than it actually has. During the last 400 years, taking weights only, the world's production of gold has been in million ounces, 671, and of silver, 10,640, or in the proportion of 16 ounces of silver to 1 of gold. For the last sixty years the production has been 517,000,000 ounces of gold to 5,830,000,000 ounces of silver, or only about 11 ounces of silver to 1 of gold. For the last decade the proportion was 10 to 1. So that the falling off in the value of silver in relation to gold is not due to any increase in the relative production of silver in comparison with that

of gold, but must be due to a smaller increase in the effective demand for silver as compared with the increase in the demand for gold.

Absorption of Silver by India.

Let us see what India has been doing as regards silver. In the last seventy years she has absorbed 2,250,000,000 ounces of silver, or more than one-third of the whole world's supply during that period. In the last decade she absorbed 720,000,000 ounces out of the 1,820,000,000 ounces produced in the whole world. India must now possess at least 2,500,000,000 ounces of silver, or one-fifth of the whole world's stock, which is more than her share in proportion to population. That silver is, at its present price, worth £250,000,000 in gold. India's demand for silver seems almost insatiable, notwithstanding the great increase in her demand for gold. It is interesting to note that in the marvellous decade 1861-1870—the decade of the American War and the Lancashire Cotton Famine—India benefited so much from the high prices she got for her cotton that she absorbed nearly one-fourth of the world's production of gold and the whole of the world's production of silver during those ten years. In those ten years she added to her stock of the precious metals to the value of more than £150,000,000 sterling. Yet even that record has been beaten by the decade just ended, during which India absorbed £82,000,000 worth of gold and £88,000,000 worth of silver—in all, £170,000,000 worth of the precious metals.

With such figures before them, how can people say that India is being drained of her material wealth? Gold and silver are merely one form of wealth, but they are luxuries, and if the people of India were getting poorer and poorer, is it likely that they would be able to purchase these enormous quantities of the precious metals, and would prefer them to the necessaries of life?

In reply to this last question it might, no doubt, be said

that people do not "prefer" the precious metals to the necessaries of life. They hoard them chiefly as a means of obtaining the necessaries of life in case of need. But surely the increased absorption of the precious metals seems to disprove Mr. Russell's theory of the *increasing* poverty of the country. It is impossible that wealth can come into a country and not get itself distributed to some extent, though the distribution is always the weak point of modern civilization.

August, 1911.

XXIII

"THE LAST WATCH OF THE NIGHT"

ILL-INFORMED critics of the Indian Government often reproach it for having done so little during the 150 years it has, (according to them,) ruled the country. They quite forget, or conveniently ignore, the state of the country 150 years ago, and Mr. Keene's brief note on the subject in *East and West* for May, 1911, may be useful to them and others:

"To the north of the Narbada anarchy and war were chronic; there was a nominal empire of which the centre was at Delhi, as of yore. In 1759, however (exactly 150 years ago), the Emperor had been murdered, and his son and heir driven to fly from the capital and wander in the eastern provinces, a suppliant for aid. In the following year the Afghans invaded Hindustan, and the Maráthas, who had occupied Delhi, were driven back to the Deccan after a defeat attended with terrible slaughter. In 1764 the officers of the English Company defeated and deposed the Nawab of the eastern provinces, and the fugitive heir of the empire concluded a treaty with the British by which he was recognized as Emperor, and in 1771 he returned to Delhi, where he exercised local authority through the agency of able functionaries. In the eastern provinces the power of the British was firmly established, and their first Governor-General, Warren Hastings, lent the support of British arms to his ally, the Nawab of Oude, in a campaign which he conducted with success against the Rohillas, or Indian Afghans, who had been plundering the northern

districts. In 1780-81 the British arms were turned against the Maráthas, the war being terminated in the following year by the treaty of Salbai, in virtue of which the North-Western Provinces of Hindustan fell completely under the influence of Madhoji Sindia, the most prominent military leader of that nation. The Emperor Shah Alam continued on the throne, though the whole administration was assumed by Sindia, who took up his residence at Delhi. The next few years were filled with strife, the Malwa Maráthas being desirous of competing with the success of Sindia, and the more southerly provinces of Hindustan were devastated by unceasing warfare. Sindia's administration also became unpopular elsewhere and a hostile combination arose before which he temporarily retired from the capital. Delhi was immediately seized by some malcontent Muslims, one of whom, a Rohilla named Ghulam Kadir, after various outrages in the palace, blinded the helpless old Emperor. Sindia arriving with reinforcements, the rebels retreated, and Sindia resumed his position of authority, which he retained until his death in 1794. About that time there arrived in India intelligence of the declaration of war against England by the Republican Government of France, and the French officers in the Marátha army became, in consequence, hostile to the British in India. In 1798 the Government in Calcutta was assumed by Lord Mornington, the able elder brother of the future conqueror of Napoleon, and a forward policy arose destined in coming years to alter the whole face of Indian politics. In 1801 the new Sindia—a man very inferior to his uncle whom he had succeeded—attacked and conquered the famous British adventurer, George Thomas, who had for a time made himself independent ruler in Hariana. But his triumph was of short duration. In 1803 the Governor-General deemed it necessary to check the further proceedings of Sindia and his French advisers, and a force was sent into Hindustan under the command of General Lake, while General Wellesley co-operated in the

Deccan, detaching the Maráthas of that quarter from any attempt to join Sindia in the north. Before the end of the year Sindia accepted terms which involved the dismissal of his European officers, and the war in Hindustan came to an end, though Maráthas and Pindáris long continued to disturb what are known as the Central Provinces."

* * * * *

Can it fairly be said that the English up to the time of Lord Mornington were in any way responsible for the government of any part of Hindustan except Bengal proper? Mr. Keene goes on to give evidence as to the state of India generally in what he calls "the last watch of the night," which is always darkest just before the dawn:

"A native, cited by Dow, speaks of 'every species of domestic confusion. Villainy,' he adds, 'was practised in all its forms; law and religion were trodden under foot; the bonds of private friendship and connection, as well of society and government, were broken; every individual, as if in a forest of wild beasts, could rely upon nothing but the strength of his own arm.' These words, it is true, have more special reference to the early years of the period; but it will be found that as the years went on no improvement took place.

"To a similar purpose is the testimony of another witness cited by Colonel Tod, the historian of Rajputana: 'The people of Hindustan at this period thought only of present safety and gratification. Misery was disregarded by those who escaped it, and man, centred only in himself, felt not for his kind. This selfishness, destructive of public and private virtue, became universal after the invasion of Nadir Shah.'

"The social degeneration went on almost to the end of the century. We are informed by Baillie Fraser, on the authority of Colonel J. Skinner, C.B., who had trailed a pike in the service of Sindia from about 1790 to 1803, that Hindustan was actually becoming depopulated. 'So reduced,' he said, 'was the actual number of human beings,

and so utterly cowed their spirit, that the few villages that did continue to exist, at great intervals, had scarcely any communication with each other, and so great was the increase of beasts of prey that the little communication that remained was often cut off by a single tiger known to haunt the road.'

"The first impression on anarchy in Hindustan was made before Lake's conquest, by officers acting under Mahadaji Sindia. After the blinding of Shah Alam by Ghulam Kadir, and when the new model army had been organized, General de Boigne held land at Aligarh, the pay of the officers and men being a first charge upon the rents; and this estate was gradually increased until it became a quasi-principality.

"The original holding was of the value of some twenty lakhs (say two millions of rupees) per annum, gradually increased to more than double of that income; and with that security for their pay, and confidence in the honour and promises of their Savoyard Chief, the troops became patterns of good conduct. In an English newspaper of the time we are told that the men submitted to General de Boigne's 'discipline and civilization, and . . . the rapacious licence which had formerly been common . . . came at last to be looked upon as infamous even by the meanest soldier' (*Bengal Journal*, 1790). The 'civilization' introduced among the troops would form a type for the surrounding population. Naturally mild and orderly, and finding themselves no longer robbed or oppressed by their professed guardians, they would turn to their squalid homes and long-neglected fallows with some hope of finding a profit in honest industry. So late as the second quarter of the nineteenth century the *Meerut Universal Magazine* stated that in Begum Samru's principality of Sardhana armed soldiers had to patrol the fields to enforce cultivation; and it is on record that she levied transit dues on every kind of goods entering or leaving her territory down to her death in 1836. From state papers written so near the close of

the anarchic period as 1808 (100 years ago), we obtain confirmation of the above recorded descriptions. A board having been formed to construct a system of administration for the 'ceded and conquered provinces,' reports were called for from local officials which show the miserable condition into which the land had fallen. The Collector of Aligarh recommended cautious measures in regard to the appraisement of assets for the purpose of fixing the State's demand, stating that the land, owing to long misrule, famine and war, had lapsed into a quasi-wild condition. He anticipated an increase of cultivation and of revenue—should six years of peace follow—which he reckoned at 32 per cent. In Etawa, lower down the Doab, matters were no better. 'Foreign invasions,' wrote the District Officer, 'and intestine tumult, had materially checked population, whilst the poverty of the country and the rapacity of its governors had almost annihilated commerce.' Elsewhere it was noted that 'the form of Government which had existed had not operated to relieve the necessities of the subject or to improve the resources of the empire by the encouragement of husbandry and commerce. The exertions of the yeomanry have been discouraged and means of cultivation denied them. Agriculture, as a consequence, has languished and declined. Every Talukdar had his "customs platform," so that in those days the highways were unoccupied and the travellers walked through byways. Skinner and Gardner, two good officers from the Mahratta service, patrolled the roads with parties of horse, but the gangs broke out, as soon as their backs were turned, under the Jat and Bargoojar chieftains.' In the southern part of India matters were, if possible, worse. Writing of the period between 1763 and 1783, the able author of Forbes' 'Oriental Memoirs' says that the Mahratta Governor of Poona was inattentive to the misery of the people, whom 'his deputy oppressed in a cruel manner. Venality and corruption guide the helm of State and pervade all Departments. From the chieftains and

nobles to the humblest peasant in a village, neither the property nor the life of a subject can be called his own.' He confirms the Resident of remote Aligarh as to the fear of show; the man who has saved a little hoard 'makes no improvement, lives no better than before, and buries it in the earth without informing his children of the concealment.' On the other side of the country, Mountstuart Elphinstone records a curious conversation with a begging friar, near the temple of Jagannath, so late as 1801. 'He spoke to us without any respect . . . called us to him, but would not let us pass his boundary. When we were near, he said: "Listen! When will you take this country? This country wants you. The Hindus are villains; when will you take the country?" We answered, "Never!" He said, "Yes, you will certainly take it. The country wants you"—that was the true saying of an unaccredited but competent representative.'"

Even in far-distant Tinnevelly, land, the occupancy right to which now sells at 3,000 Rs. an acre (or even more), and pays 6 per cent. on the purchase money, being assessed at 30s. an acre, had "no saleable value" in 1820, when peace had not yet been thoroughly established. Unfortunately, as Mr. Keene says in conclusion, "the Hindus are not given to historical research; and there are those among them—sincere patriots—who sigh for the return of days when the country was without a master. Such persons must be content to find their consolation in the reflection that in that case the country would be without an impartial Sovereign both willing and able to promote prosperity and peace."

September, 1911.

XXIV

"GLIMPSES OF INDIA, PAST AND PRESENT"

"IN all our discussions about India," says Lady Benson, "we want actual facts; nothing else is of any value.

"Remember the saying of Sir Madhava Row: 'Whatever is not true is not patriotic.'

"If India were better off in the old days, the English ought to know about it, and learn about it; if it was not better off, is it not time for Indians to learn the real truth?

"Indians talk and write of a past golden age when all India was governed by one Emperor, native born; they talk of the grand days of Rama, of Asoka, of Vikramaditya, and others. They think taxation under native rule was lighter and less harassing than at present. They think there were no famines, or fewer famines, than at present; that there was no plague—in fact, that from the Hindu-Kush to Ceylon the country was ruled by magnificent monarchs of supreme power and dignity, the like of whom the world has never seen, under whose benignant and enlightened government flourished all the arts and sciences; that the people were more free, and that there was little or no oppression of the people by corrupt officials. Indeed, one educated Indian argued from the *poetical* pages of the *Mahabhárata* that in ancient India there must have been 'one grand Imperial constitution' all over the land, with the chiefs forming the responsible Council of the Sovereign! All this is a very pretty fancy, no doubt, but it is simply untrue. Apart from the facts of Indian history, think for a moment how impossible in practice such a conception is.

How would it be possible for a Sovereign in South India to travel, merely in order to attend a Council at Ayodhya, all the length of India and back to his own country at a time when there were no roads, or those in existence were mere tracks, and where he would, owing to the country being infested with gangs of robbers, have had to take an army, with its necessary transport, for his protection? A couple of years absence would have been necessary. There is no record or admission by Chola or Pandiya Sovereigns that they were vassals of Ayodhya. Think of the impossibility of an Imperial Council, when there was no one language understood by all the people.

"Let us teach the facts of *history* to the younger generation, and thus secure that a just historical comparison, based on truth and not on misunderstanding, may become possible for the rising generation.

"The tiniest bits of opinion sown in the minds of children in private life afterwards issue forth to the world and become public opinion; for nations are gathered out of nurseries, and they who hold the leading-strings of children may even exercise a greater power than those who hold the reins of government. If you teach your children what is not true you are not patriotic."

* * * * *

"It is the '*sheer ignorance of what has happened in the past*,' to use an Indian gentleman's words, that is at the root of much of the present discontent and unrest. But we have no right to be ignorant, now that, owing to patient, scientific research and translations, old edicts have been deciphered, and much light has been thrown on the past. Fact can now take the place of fiction. I think few, knowing the facts, would care to return to the old system."

October, 1911.

XXV

SOME PLAIN FACTS ABOUT FAMINES IN INDIA

Only the other day an eloquent Indian was again denouncing the "drain" of wealth from India as a main cause of famines, and it may be worth while to republish the following succinct account, by a Madras lady, of some Indian famines in those good old days which some people, who ought to know better, even yet profess to regret. It will have been noticed, no doubt, that the facts in this and Leaflet No. 24 are mainly adapted from Mr. Robert Sewell's "India before the English,"* as well as from Dr. John Murdoch's "India Past and Present."

IT has been stated and repeated by newspapers and agitators that, "the famines which have desolated India within the past quarter of the nineteenth century are unexampled in their extent and intensity in the history of ancient or modern times."

The Shanti Parva of the Mahabhárata describes a famine of twelve years' duration! Mr. Srinivasa Raghava Aiyangar says: "The Ramáyana mentions a severe and prolonged drought which occurred in Northern India." According to the Orissa legends, severe famines occurred between A.D. 1107 and 1143. The memory of a twelve years' famine "Dvadasavarsha Panjam" lives in tradition in Southern India. But if the accounts of "Universal Empire" are, as they have been shown to be, poetical creations, it is possible that famines mentioned may be poetical creations too. It may be so. We will quote what

* A paper read before the East India Association in 1897.

Mr. S. M. Mitra writes of famines in Akbar's reign. It is admitted by everyone that Akbar's reign was the best in the Muhammadan period of Indian history. Let us see how the great Akbar fared as regards famine. Three great famines desolated the country during the reign. The Muhammadan historian wrote: "Men could not find corn; they were driven to the extremity of eating each other, and some formed themselves into parties to *carry off lone individuals for their food* . . . at the time of famine and distress parents were *allowed* to sell their children."

In the forty-second year of Akbar's reign, A.D. 1596, "a fearful famine raged continuously for three or four years throughout the whole of Hindustan. A kind of plague also added to the horrors of this period, and depopulated whole cities, to say nothing of hamlets and villages. In consequence of the dearth of grain, and the necessities of ravenous hunger, human flesh was eaten. The streets and roads were blocked with dead bodies, and no provision could be made for their removal."

After reading the above, can it be truly asserted that the "recent famines were unexampled in their extent and intensity in the history of ancient or modern times"?

In 1570 there was a terrible famine on the West Coast.

In 1648, in the Coimbatore District, a great number died.

In 1659 there was another, and in one small tract amongst the Christians alone 10,000 perished.

In 1709 there was a prolonged drought of several years.

In 1733 there was a famine in the Chingleput District.

In 1780 one over the whole of the Carnatic.

From 1789 to 1792 there was a terrible famine in the Northern Sirkars, and the people died in thousands.

If we knew more of the past history of India we should find that seasons of scanty rainfall have *perpetually recurred*, as they are now recurring, in the natural order of things, which man's will cannot alter.

How did Hindus and Mohammedans deal with famines?

It is not too much to say that little or nothing was done. The rulers apparently saw no necessity for attempting to save life, and left people to themselves.

Now famine is recognized as one of the most difficult problems with which Government has to deal. A hundred years ago it was looked upon as a visitation of God, utterly beyond the control of man; the people perished by millions; *the want of roads, cattle and railways* made it impossible to supply them with food. Now a famine code has been drawn up for the guidance of officials, relief works are instituted in distressed localities as soon as scarcity is declared, and every effort is made to support life and relieve distress. Many Government officials, both European and Indian, have died at their post struggling to help the people. My husband was one of the famine officers in 1876 and 1877 in the Ceded Districts, and with him I saw what was done to relieve suffering and hunger. We visited daily the great famine camps in his taluk, and saw the oldest and the youngest and those too weak to work being fed three times a day, and the able-bodied being given work and wages. If there had been more railroads in those days fewer people would have died. Railroads are essential for the distribution of food in famine time. In times of drought and famine bullocks die from want of fodder, and though there may be plenty of food in Madras and on the coast generally, there is no means of getting it carried inland without railways.

December, 1911.

XXVI

THE TRUTH ABOUT RAILWAYS

FROM

"GLIMPSES OF INDIA, PAST AND PRESENT"

WHAT is the correct view to take about Railways in India? Some people, mostly Indians, seem to think they do more harm than good by "draining" the country of its produce (as they say), and even go so far as to charge them with *preventing* the ryots from storing their grain, and so providing against the rainless day.

Well, sixty years ago there were no railways in India. People travelled slowly by bullock carts two and a half miles an hour, or by carriages at four miles an hour. They were exposed to fatigue, to the weather, to robbers, to sickness and often had to lie down and die alone. What a difference to being whirled along smoothly and more quickly than if drawn by racehorses.

We have often heard the assertion made that a great deal of money goes from India to England, and that "England is bleeding India," but such statements are utterly baseless. *India pays no tribute to England. Nearly all the payments are interest on money lent, on services rendered, or materials supplied.*

Now, to make railways costs a great deal of money. In most countries the people themselves supply the money out of their savings. In India the people said "No"; they required the money for jewels,* for marriage and other ceremonies.

* The amount of jewels now held in India cannot be worth less than 300 crores, it is probably much greater; at 12 per cent. interest it would yield 36 crores a year. In Japan women have no jewellery.

Therefore the money had to be borrowed, and for borrowed money interest has to be paid. If the people have to borrow money in India they have to pay the "sowcar" from 12 to 30, 40 or 50 per cent. Poor people borrow money at the rate of 1 anna a rupee per month, which comes to 75 per cent. per annum. Well, the Government of India asked other nations to lend the money. Germany, France, America, Russia, all asked interest at the rate of from 5 to 10 per cent. The nation that offered at the *lowest rate of interest was England.* She offered the money at $3\frac{1}{2}$ per cent. I do not think that any reasonable person would call that bleeding India.

Mr. T. N. Mukerji says: "No country having the faintest claim to civilization should now be without its railways. When we ourselves could (*would?*) not make them, the next best thing was to have them made by others, for it would not be wise to wait a century or two."

Indian railways now not only meet all charges from their earnings, but in 1901 yielded a profit of 115 lakhs. This profit will largely increase and become an important source of revenue, while very great benefit in other ways is conferred on the country. The railways give direct employment to a large body of men. In 1909 the railway service employed 525,000 persons, of whom over 508,000 were Indians. When Queen Victoria ascended the Throne there was not a single mile of railway in the country. On December 31, 1910, there were over 32,000 miles of rail, which carried 384,000,000 passengers and over 71,000,000 tons of goods.

As noted in Leaflet No. 25, "Railways are essential for the distribution of food in famine time," and surely it is better in every way for the ryot to store up his surplus grain, if he has a surplus, in the form of rupees in a Bank, where it will even give him some interest, rather than in the form of grain exposed to plunder by rats and robbers.

February, 1912.

XXVII

THE COST OF THE INDIAN GOVERNMENT

ANOTHER popular "grievance" just now is the excessive cost of the Indian Government and the over-employment of Europeans, chiefly British, at extravagant salaries. What are the facts on these points? Sir James Wilson told what we believe to be "The Truth as to the Employment of Indians so far as the Punjab is Concerned," in Leaflet No. 13 (1910), and no one, so far as we know, has corrected his figures. Put as briefly as possible, he made out that when he entered the service (in 1875) the number of men exercising judicial powers as magistrates or judges was under 500, and of them only 320 (not quite two-thirds) were Indians, whilst no Indian held a higher post than that of assistant to a Deputy-Commissioner or District Judge. Whereas, when he read his paper—that is, in 1910—out of about 1,000 similarly employed, 800 (about four-fifths) and *all* the subordinate officials, except 100 police out of 20,000, were Indians. Of 29 holding the position of District-Judge 22 were Indians; of 250 Assistants at headquarters of districts 150 were Indians. There were 4 Deputy-Commissioners, or Salt Officers, all Indians; 2 Indian Divisional Judges, and generally 2 in the Chief Court.

So much for the Punjab. Now for the number and cost of imported English labour. Lord Elgin, when Viceroy, found that the total annual cost of the Civil Service (about 1,200 men), including pay, pension and exchange allowances, came to $1\frac{2}{3}$ pies a month per head of the then population, 221,000,000. If Indians at half the cost were employed, the saving to each individual in India would be *less than one pie per head per month*, or *less than one penny*

a year. And in the judgment of men like Sir Bartle Frere it is a capital mistake to pay Indians less than Europeans for the same work.

"Year by year, since 1868, in accordance with the promise that Indians should be given a share in the administration of the country, the number of Europeans employed has been lessened, and the number of Indians employed has been increased" ("Glimpses of India, Past and Present").

A statement has recently been compiled (see p. 71 of *India* for February 9) showing the proportion of appointments on a salary of 500 rupees a month (£400 a year), or over, held by Indians and Europeans in 1910, as compared with 1867 and 1903, which shows a steady, though slow, increase in favour of Indians. The Editor of *India*, however, complains that the proportion of Indians in the covenanted Civil Service is still extremely small, though even there it has risen, he says, from 3 to 5 per cent., and there is really no reason why many more places should not be captured by Indians, if there is any real enthusiasm for the service amongst the youth of India who come over in such numbers nowadays to compete in other professions. But in that case it would be necessary to fix the proportion of Europeans absolutely necessary to carry on the present system of Government, because everyone knows that an English backbone is still indispensable for the Indian body politic.

"In 1904 there were less than 6,500 Englishmen, whether brought from abroad or recruited in this country, employed on salaries of Rs. 75 a month and upwards, to administer the affairs of 230,000,000 of people, and 21,800 *Indians* on salaries of Rs. 75 and upwards. If we go below Rs. 75 a month, the disproportion would, of course, be overwhelming. During the last six years many more Indians have been given a share in the government. Can anyone contend, in the face of these figures, that the Indian Administration is unduly favourable to the European, or grudging to the Indian element? There are fifteen Indian Judges of the

four High Courts and Chief Courts, and Indians have seats in the Legislative, and now in the Executive Councils. Of the 1,244 members of the Civil Service 65 are Indians. To use Lord Curzon's words: 'I hold, on the contrary, that our Administration is characterized by a liberality unexampled in the world. You may search through history and since the days of the Roman Empire you will find no such trust. I have visited the Russians in Central Asia, the Dutch in Java, the French in Algeria, Cochin China and Tongking, and have seen what there prevails, and if anyone thinks that they show proportions even remotely comparable with those which I have quoted, I can assure him that he is gravely mistaken.' It is true that, as a rule, the majority of the highest posts are, and must for a considerable time, be held by Englishmen, the reason being that they possess, partly by heredity, partly by upbringing, and partly by education, the habits of mind and the vigour of character which are essential for the task. Then, the rule being a British one, the tone and standard should be set by those who are responsible for it. The progressive growth of confidence that is revealed by the steadily increasing numbers of Indians employed is honourable to the British Government and honourable to the people of the country. It reveals a European system of Government entrusted largely to non-European hands, and administered far less by the conquering power than by its own sons. And, beyond all that, it testifies to a steady growth of loyalty and integrity on the one part, and of willing recognition of these virtues on the other, which is rich with hope for the future" ("Glimpses of India, Past and Present").

Notwithstanding the undoubted cost of imported labour, it is safe to say that the Government of India, considering what it does for the people, is by far the most economical in the world, and is, perhaps, the only Government which, in the last resort, offers "work for all."

XXVIII

SIR ROLAND WILSON ON THE TRUE CHARACTER OF THE INDIAN GOVERNMENT

IT may be useful to publish as widely as possible the latest reflections on the Government of India, which are to be found in Sir Roland Wilson's new book, the "Province of the State." Members of this Association will not have forgotten his uncompromising attack on State-aided Education in India; and, as a very advanced thinker, not to say radical reformer, his carefully studied language is worthy of very serious consideration by those who take extreme views of Indian administration. What follows is taken *verbatim* from the notice of the book in "India" for September 8 last, page 121.

There are various references to India in this volume which invite comment and criticism, but we can only find space in this issue for one more long quotation, which is put forward in reply to Herbert Spencer's well-known position of absolute condemnation of the British occupation. Sir Roland writes:

"After all allowance made for incidental faults and crimes, the substitution of the rule of the East India Company for that of the decadent Mogul and the rapacious Maratha, and the substitution of direct British rule for that of the East India Company, must surely be counted on the whole as triumphs of industrialism over militarism. A force of 300,000 trained soldiers, of whom only about one-fourth are British, now suffices for the defence and control of a population of 300 millions. No statistics are available,

as far as I know, for the close of the eighteenth century; but it is a pretty safe conjecture that the proportion of fighters by profession under the various native potentates was much nearer one per cent. than one per thousand. Grievous as is the poverty of modern India, the vastly larger population that continues somehow to exist proves that far more skill and industry is applied now than formerly to the utilization of the productive forces of nature.

"If (says Sir Roland), instead of denouncing the process by which India was dragged up to its present stage of social progress, Herbert Spencer had urged that in consequence of this progress the time was now ripe, or nearly so, for a new departure in the direction of national unity and self-government, probably many of his admirers—and certainly Sir Roland himself—would have heartily assented.

"No one in present sympathy with Spencerian political ethics will hesitate to admit that the kind of dominion now exercised by Great Britain over her great Eastern dependency requires exceptional circumstances to justify it, and should continue no longer than is rendered absolutely necessary by the political immaturity of the governed. The main ends for which the State exists must always be pursued under heavy disadvantages by the agents of a distant and alien nation. That such an alien rule may nevertheless be at any given moment less imperfect than any form of any indigenous rule which could then and there be substituted, is what Spencer ought to have more explicitly recognized."

The calm and unprejudiced moderation of these observations will commend themselves to every calm and unprejudiced reader. Nor are they foreign to the cast of thought of the Indian reformer.

May, 1912.

XXIX

MR. HYNDMAN, THE "TIMES," AND THE TRUTH ABOUT THE "DRAIN"

SINCE the issue of the second edition of our Leaflet No. 1, dealing with the alleged drain from India, Mr. Hyndman has, at p. 419 of his autobiography, thought proper to reiterate his favourite indictment to the effect that "we drain out of India upwards of £30,000,000 a year (1) *without any commercial return whatever*, and this terrible (2) *extortion* of wealth *by way of economic tribute* is the (3) *chief* cause of the impoverishment of the 200,000,000 (? 240,000,000) inhabitants of British territory, and (4) the *consequent famine and plague* which they suffer from."*

This charge has also been repeated in a recent letter to the *Times*, and it was with some reluctance that the leading journal published a letter in reply asking for the facts and figures on which the indictment was based.

As no answer, direct or indirect, has been accorded to this challenge to produce proofs, and as Mr. Hyndman declines to examine and, if necessary, correct the figures given in our leaflet, all that can be done is to discuss his figures as they stand. He refuses to give, or even to discuss, details of the home charges; but in his "Ruin of India by British Rule," (being the report of the Social Democratic Federation, dated 1907,) he specified "pensions, interest, home charges, dividends and remittances to the capitalist and landlord classes with their hangers-on," as the component parts of his £30,000,000, and these agree

* The italics are ours.

pretty fairly with the details given in our Leaflet No. 1 from which it appears that about half the drain (according to our view, or one-third according to his) consists of interest on money borrowed at, say, $3\frac{1}{2}$ per cent. in order to increase the produce of the land in India tenfold by irrigation, and to provide her with railways. Some Indian critics object to railways as "draining away the produce of the country," but it seems from page 8 of the paper alluded to that Mr. Hyndman admits the benefit India has derived from railways, and that benefit also is surely a real "commercial return" for the money borrowed on extraordinarily easy terms, just as the enormous increase of wealth due to irrigation certainly is.

The rest of the home charges must be defended on different grounds as the unavoidable cost of a foreign government; but then it can justly be contended that, even admitting this "drain," the Government of India is still the most economical of civilized governments when what it does for the country is fairly considered.* The lamentable poverty of India may be admitted; but poverty is a comparative term, and even Mr. Digby (or, perhaps, his Salvation Army friend, Mr. Storey, who certainly sounded the very depths of Indian poverty) had to admit that 60,000,000, or about one-sixth of the population, were really "prosperous." It may be doubted if a much larger proportion in any country could be fairly so described; and, in many ways, poverty in India is not as cruel as, for instance, in Russia, where millions suffer from famine of which we hear little or nothing.

But if there is a drain *out* there is also a drain *in*; and we should like someone to calculate the drain of wealth into India "without commercial return" and then strike a balance.

The following facts show that the "drain in" must be considerable, and should not be lightly disregarded:

"During the last seventy years India has absorbed

* See "Whitaker" for 1910.

2,250,000,000 ounces of silver, or more than one-third of the whole world's supply during that period. In the last decade she absorbed 720,000,000 out of 1,826,000,000 ounces produced in the whole world" (Mr. Sarma on p. 524 of the *Hindustan Review* for December last). Now 720,000,000 out of 1,820,000,000 is nearly 40 per cent. Is this a proof of increasing poverty?* It does not, of course, prove increasing prosperity among the lower orders, but surely some of this inrush must filter down to some of the workers and go to raise wages to the rate to which everybody (except perhaps Mr. Hyndman) knows they have risen since he so confidently predicted the "Bankruptcy of India" in 1878. That such bankruptcy is still very remote is shown by the facts noticed recently in a leading article in the *Times*, under the heading "A Romance of an Indian Port" (Karachi), and by the fact that India exported last year more wheat than was exported from any other country in the world.

* Sir James Wilson, in his elaborate paper on "Indian Currency Policy," read before the East India Association on June 14, 1911, showed further that "during the last seventy years India has absorbed £240,000,000 worth of gold, or more than a tenth of the whole world's production." Even if its population is "about one-sixth," as he says it is, "the quantity of gold that India has secured is not so very far short of its share, man for man, as might be imagined from the comparative poverty of the people." "Moreover," he says, "India's absorption of gold is rapidly increasing. . . . In the last two years she has absorbed £35,000,000 worth—more than one-sixth of the world's production for those two years."

June, 1912.

XXX

DOES THE INDIAN GOVERNMENT PROVIDE "WORK FOR ALL"?

EXCEPTION has been taken to the statement at the end of Leaflet No. 27 to the effect that the Government of India "is, perhaps, the only Government which, in the last resort, offers work for all"; and as this statement is perhaps liable to misconstruction it seems desirable to put it somewhat more clearly. It was founded on a paper by the late Rev. Howard Campbell in the "Labour Leader," entitled, "Is India Misgoverned?" This paper was reproduced in the second of our Leaflets (p. 5 of this volume). Mr. Campbell began by saying that he was a Socialist; that he went "to India expecting to find a great deal of misgovernment, and most unwilling to admit that any good could result from a bureaucratic system." Experience of twenty years, however, "forced him to the conclusion that there is no country in the world better governed than India, none in which the Administration does more for the masses of the people." Farther on he says, "If our Home Government would only take a leaf out of the book of the Government of India it would be a great deal better for our unemployed. The Government of India *recognizes to the full its obligation to provide work for those who are unable, through any exceptional causes, to earn a livelihood.*" He refers, of course, to the rule, now so well established, that *work is to be provided on relief works in case of famine, so that no one need die of hunger.* His remarks on this subject are worth reproducing again.

"India has always been subject to oft-recurring famine owing to the precarious nature of the rainfall; but, whereas in former times famine was regarded as beyond the control of man, it is now considered a problem to be faced and dealt with by those responsible for the government of the country. In every district in India there is in the Government offices a list of useful works, and a supply of tools in the Government stores; and, as soon as there are evident signs of distress, relief works are opened on which all who are able to earn a livelihood can find employment. Every effort is made to prevent the people from feeling that there is any disgrace in resorting to these works. As a result of this policy the hardship and suffering which arise from famine in the present day are, however great, but slight compared to the terrible calamities resulting from the famines of former times."

July, 1912.

XXXI

AN INDEPENDENT TESTIMONY BY HAROLD BEGBIE

IT may be useful to add to this collection of "Truths about India" the carefully-considered judgment on the Government of India by that well-known writer Harold Begbie, as published in his interesting little book "The Light of India." These conclusions may be compared with Mr. Howard Campbell's judgment (Leaflet No. 2), and that of Dr. Downie (No. 7).

Mr. Begbie is in no way connected with the Government of India, and is a quite independent witness. This is what he says:—

It is a foolish calumny to exhibit the Indian Government, as some men now do, in the character of a lolling epicure or a bedizened circus-master. There may be, as there are in all Governments, matters for criticism; but I think there is no Government in the world more earnest in the cause of progress and enlightenment than the Government of India, no Government in the world that can show a more impressive record of achievement, no Government that is served by a more faithful, industrious and human-hearted Civil Service. It is enough for the critics of this Government, if they can obtain one or two narratives of English rudeness to Indian gentlemen, to condemn the whole Government; and the visitations of plague and famine are sufficient for them to prove that the Government is idle and iniquitous.

What is the real truth? From the highest to the lowest servant in the State, the whole Indian Government

is ceaselessly employed in developing the resources of the country and promoting the prosperity of the people. The Government, for instance, supplies "more than a third of the total irrigation of the country."

"Not only do these canals increase prosperity—they create it. Two of the Punjab canals literally have converted desolate, uninhabited plains into thriving countries. Along the banks of the Chenab canal now stretch fields and villages inhabited by a million people, where twelve years ago a few nomads wandered over a desert of parched earth and camel-thorn. The State irrigation works of India are, of their kind, the greatest and the most beneficent triumphs of engineering that the world has seen."*

Sir Louis Dane said to me: "We are adding an Egypt a year to the Empire by our canals, but England takes no notice." All this Socialistic work is nothing to the Socialist at home. Let a young tea-planter object in his railway-carriage to a native who collects at bedtime his lice in a box lest he should hurt them by lying on them, and the fact that the Indian Government has bestowed happiness and prosperity on a million people inhabiting what was once a desert of parched earth, is but a flourish of jingoism to the outraged propriety of our universal reformer.

Perhaps few people in England realize, from the Tory who violently supports it to the Socialist who as violently defames it, how far the Government of India has gone along the road of what we should term in England the wildest and most godless Socialism. To begin with, the soil of India is national property, and the land-tax is national revenue. Imagine such a state of things in England! Again, the national revenue of India, with no navy to pay for, is devoted in enormous sums to the development of the country. Imagine such a thing in England! Strange, is it not, that the home Conservative defends in India what he would die to oppose in England,

* "Studies of Indian Life and Sentiment," by Sir Bampfylde Fuller, p. 195.

and the Socialist attacks in India what he so eloquently demands for England.

Let the reader judge between the poor calumny of these extreme Socialists and the sober words of Sir John Hewett, who, in addressing an Industrial Conference convened by himself to increase the prosperity of the United Provinces had the honesty and courage to make these following references before an audience composed chiefly of Indians :—

"One experienced manager of a cotton-mill in these provinces, speaking at the Industrial Conference at Benares in 1905, said:

"'Go where you will and search where you may, you will find everywhere the same complaint, and that is the poor quality of labour. And it is poor because the labouring man is not thrifty. He only values money for whatever it can give him at the moment. He does not value work for work's sake. To him it is, unfortunately, a matter of complete indifference whether his work is bad or good. He does not value time, because his practice is not to do as much as possible in a given time, but as little as possible.'

"One of the leading merchants in Calcutta writes to me as follows:

"'Keep in mind, however, the good old British system of apprenticeship, which insures a boy mastering his craft, and generally loving it too. The Indian people don't go to work in the mills for the love of the thing, but to make a living. I have spent thirty-three years inside mills here, but not one Indian has suggested an improvement in machinery or treatment of raw material. Such a state of things would be impossible in Britain. The workman there is very low down in the scale who does not plan and think out schemes to make his tools more effective.'

"Mr. Chatterjee has noticed the low intellectual standard of the handloom weavers, and advocates a very wide extension of primary education among the weaving classes."

Sir John Hewett proceeded as follows:

"Gentlemen, when I began my address I said that the problem before us was no light one. It is equally certain that it is of the utmost importance to this country that every effort should be made to solve it without delay. In no country that I know of have the conditions now existing in India ever presented themselves before. We have a large and expanding railway system; we have four or five great centres of industry which would compare favourably with many of the industrial centres of Europe; we have the richest possible collection of mineral and vegetable products; we have a foreign trade of nearly 212 millions sterling, much of which consists in the export of our valuable raw products in return for manufactured articles made in the United Kingdom and foreign countries. In certain

Of our ports you might imagine yourself in one of the bustling cities of Europe. Take a few miles' journey into the interior of the country, and you will see hardly any signs of industrial enterprise, and will at once recognize that you are in a country the inhabitants of which are far too dependent on a single industry—viz., agriculture. For such a condition of things we can find no precedent, and it is vain to look for precedent in our efforts to remedy it. Two problems set themselves palpably before us. First, we must educate people so as to divert their energies to industrial pursuits other than agricultural. We must educate skilled labour for all our industries. We must develop among our workmen an interest in their work to replace the feeling that the day's work is only done for the day's wage, and we must bring up educated foremen, supervisors and managers. We must encourage research into the potential value of our raw produce. Secondly, we must endeavour to overcome the shyness of capital, and success in this respect cannot be achieved unless the leaders of the people throw themselves enthusiastically into the work.

"We have now to consider, on the facts that will be laid before us, what principles we can and should adopt. I have no fear that you will shrink from your responsibilities as the most representative body hitherto assembled in India to grapple with these weighty problems. I have no fear that you will be timid in experiment or fearful of risk where novel conditions must be dealt with, or shackled by precedent where no true precedent exists. I have no fear that you will accept past failure without investigating its causes to see if they cannot be removed. For my part, I consider that the object to be gained is worth a heavy sacrifice. I confess that my imagination is powerfully affected by the opportunities of the present occasion. We cannot regulate the sunshine and the shower, the seedtime and the harvest; that is beyond the power of man. But we can control to some extent the disposal of the products of the earth, thereby opening new avenues to employment and spreading greater prosperity over the land. We may make some mistakes, we may spend more money unprofitably; but I am confident that we are entering to-day on labours which will not be in vain."

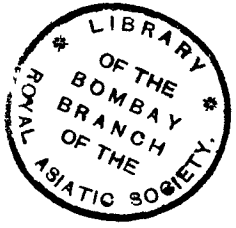
Do not these remarks convince one of an honest determination—and even an enthusiastic devotion—in the cause of Indian prosperity? Are they not the utterances of a practical statesman whose supreme object is the progress and development of the common people?

Such is the spirit which animates the Indian Government. Into whatever province I went, I found men of great ability and strong earnestness spending themselves for the peoples of India, giving their days to the labour of promoting the wealth and happiness of the people—and enthusiastic about it. In no single province did I hear of

any legislation which, by the greatest stretch of imagination, could be designated class legislation; the entire energies of Government, the entire forces of a brilliant and assiduous Civil Service, are devoted to the uplifting and safeguarding of the Indian people.

I do not strain metaphor when I liken the twelve hundred Englishmen at the head of the Indian Government to the managers of a commercial enterprise whose sole object and purpose in existence is the prosperity of their undertaking. Between each province there is a jealousy, a trade rivalry, a spirit of competing enthusiasm. It is the strain and energy of these countrymen of ours to excel each other in the great adventure of Indian prosperity.

Consider for a moment what this Government has done. First, it has established peace throughout the length and breadth of India, a peace in which the humblest outcast can walk unafraid and the most industrious pursue his calling without risk. This by itself, considering the racial conflicts and religious animosities of the immense continent, is an achievement of the first magnitude. But the Government has not been content with this achievement. It has lighted the torch of education, and it has preached the gospel of humanity.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Application for Membership.

To the Hon. Secretary,

EAST INDIA ASSOCIATION,

WESTMINSTER CHAMBERS,

3, VICTORIA STREET,

LONDON, S.W.

.....191

SIR,

Will you kindly submit my name to the Council of the EAST INDIA ASSOCIATION for election as a Member?

Yours faithfully,

Name (in full).....

Rank or Profession.....

Address.....

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